A Letter from Our Chairman

The Destiny Company was born from the heartfelt desire to give something back to the country that has made so many dreams come true for me and my family. America is a place where opportunities are limited only by our imagination, strength of spirit and willingness to work tirelessly to achieve our goals.

Today we have an extraordinary opportunity to rekindle the American ingenuity that defined this nation to build a better future by:

- Minimizing our crippling dependence on fossil fuels.
- Reigniting technological innovation.
- Revitalizing communities in decline all across our country.
- Reestablishing global leadership and restoring America’s international image.

The Destiny Company was created to achieve these goals through the creation of a living laboratory; the integration of research and development, collaborating companies and the Destiny USA development in Syracuse, New York. Upon completion Destiny USA will have a value of $25 billion and will define a new experience in entertainment, retail, dining and hospitality for millions of visitors from around the world. Destiny USA will also be an interactive showcase of the world’s leading companies and ideas.

I am incredibly proud of a positive economic impact including hundreds of thousands of new jobs that Destiny USA will stimulate. All of this is being done while proving that government and the private sector can partner in a manner that shields the taxpayer from any cost or risk.

Our vision is to create awareness to help each individual realize a better tomorrow. Awareness embodies competition, innovation, collaboration and the desire to search for new answers.

We will make this vision a reality by:

- Leading by example through our actions and those of our partners
- Positively impacting people’s lives – our visitors, employees and partners.
- Reenergizing the American dream – its independence, safety and prosperity.

Sincerely,
Robert J. Congel

Chairman
The Journey Towards Our Destiny...

Chapter I

It began back in late 1999, when Onondaga County Executive Nick Pirro approached us about expanding Carousel Center. The idea was to create a shopping center that would be bigger than the Mall of America.

The Traditional Approach
It began as a traditional process and because of our past experience with Carousel Center, we knew that it would be extremely costly to build the foundation and infrastructure for the project due to poor soil conditions. We decided that with the appropriate incentives in place, we would be willing to go ahead with the project. That led to the approval of a 30-year Payment in Lieu of Tax (PILOT) agreement, which would in effect trade the community’s right to future property taxes for the significant sales tax revenues that would be created from an expanded Carousel Center. This PILOT agreement approved in 2002 protected the taxpayers from risk and ensured as an outcome that they would receive more in sales taxes than they would be giving up in property tax revenues – in effect creating no cost. It was an unprecedented action on the part of the community and represented for us an opportunity that we would only begin to truly understand.

In early 2001, a team of people was assembled that came from outside the real estate or construction industry to think about how the Carousel Center expansion could be executed. Our initial thinking was that this could be a great regional tourism draw and we worked with national firms to study where people would come from. We saw an opportunity to promote Upstate New York and successfully asked the State to dedicate their share of sales taxes generated from the expansion into a fund which could be used to market the region to people from outside New York State.

Chapter II

The Opportunity & Struggles of a New Approach
Through most of the early part of 2001, our thinking was very traditional – we were developing a large building. We made the decision to build the expansion in one phase. During this time, we continued to discuss and debate the merits of the PILOT Agreement, often times in disagreement over how it could be applied to create maximum opportunity. It was hard for us to think about the future in a way that was different from what our past experiences had taught us. Yet we all knew that for us to truly create something great, we would need to get out of our own way.
An example of this was how we approached the challenging weather conditions of the region. Rather than seeing it as an obstacle, it became an opportunity. It led us to the idea of creating a large enclosed park on the roof of the expansion. It would be a place our visitors could enjoy year round, offsetting the inconsistent weather pattern that is prevalent in the Northeast.

We were all excited about building this great tourism destination because we knew it would create a lot of jobs and tax revenues, and be a fun place for people to visit. This was especially important to us given the consistent trend of a declining economic infrastructure that had been plaguing the Upstate New York region for the past few decades.

Chapter III

The Need to Give Back

The events of 9/11 shocked our group just as it shocked the world. It brought into focus our country, the challenges and vulnerabilities we faced, issues regarding security and the issue of energy. It brought back memories of Bob Congel’s trip with his family to Normandy, where it was clear that the sacrifices paid by the young soldiers who died securing our freedom should never be in vain. We spent a lot of time discussing the importance of “giving back” to our country, be part of something we could take pride in as Americans and help our country in a meaningful way. It became clear to us that our project could represent something well beyond a building, but be about ideas. This is when the Carousel Center Expansion transformed into Destiny USA. We began the exchange of ideas between ourselves and many others to work towards a common goal – an initiative resulting in pride and continued benefits for many years to come.

Chapter IV

Realizing the Possibilities

Beginning in 2002, we started talking to large companies in the fields of security, technology and energy about how we could operate Destiny USA and the chance to bring new technology-related industries and jobs into our community. We hosted an international symposium on renewable energy and sustainable building design in April of 2002. We invited leading experts from around the world in the fields of renewable energy, sustainable design and environmental excellence to come together to talk about the challenges and opportunities that were currently being discussed in the industries. One of the clear and disturbing points that came out of this conference was the country’s addiction to foreign oil and the negative implications that it represented. This addiction threatens our security, our economy and our country’s status as a world-leader.
It was then that we publicly proclaimed our goal to construct and operate Destiny USA 100% fossil fuel free. We knew as Americans it was too important for us to avoid doing everything we could to contribute to this positive outcome. There was shock and disbelief, even among the energy experts we gathered. Many wondered out loud whether it was even possible. In spite of this reaction, the commitment remained unchanged. After this event, it became clear that Destiny USA represented an opportunity to showcase ideas and solutions to the challenges we faced in the energy and security areas to millions of people from around the world. It was our first realization that Destiny USA was really about creating awareness and driving awareness.

Chapter V

Putting the Model in Place

We were then faced with two large challenges – how to generate enough capital to support this huge idea and how to make sure that millions of people would truly want to come to visit. We knew that the PILOT agreement and the Empire Zone program would be very important parts of our solution and we began to look at other opportunities to create or combine economic development programs which could work together to drive this initiative. In early 2002, we worked with City, County and Federal representatives successfully to have our community designated as a Federal Empowerment Zone. Later in 2002, we initiated a strategy with other renewable energy projects around the country to get the Federal government to participate with our renewable energy commitment through a program which became known as Green Bonds. Green Bonds were passed into law in 2004 as a mechanism to commercialize renewable energy technologies. The Onondaga County Legislature agreed to dedicate their share of hotel occupancy tax revenues into marketing our community and we explored additional opportunities for the NYS Empire Zone program to find ways that it could work towards helping us achieve our goals. Later in the process, we incorporated New York State’s Brownfield Redevelopment incentives into our model because Destiny USA was being created on a large environmentally-distressed site.

The outcome of all this effort resulted in a brilliant financial model that would serve as the engine to drive Destiny USA. The beauty of the model was found in its simple essence. On one hand, it provided substantial incentives, which gave us the ability to create any size project possible as long as we could justify paying what amounted to an average of 60% of the property taxes associated with that project. And on the other hand, it generated significant benefits in the form of new jobs and tax revenues to the public sector, insuring that there would never be anything other than net positive revenues in return for these incentives. The other intriguing element of this model was that at each step of the way, the public sector and taxpayers were always ahead when you looked at the
revenues they received as opposed to the incentives we earned, because the programs were structured requiring that benefits were only earned after we performed.

Chapter VI

Believing the Possibilities

**Even after we created** this model, we struggled. Many times internally, we questioned whether this model was as good as it appeared in concept. We debated, resisted and even argued about the reality that was staring us in the face. It took us a long time before we came to grips with the maximum potential that it offered. An example of this was our internal discussion regarding how many hotel rooms we would need to build. We knew instinctively that tens of thousands of hotel rooms would be needed to accommodate the millions of out-of-town visitors that were projected to come, yet we resisted committing to build these rooms using our model. Only after significant discussions did we see the true opportunity in this area.

Once we began to accept the true potential that we had, it became clear that the fuel for both the financial model and our ability to attract the best companies to drive new research, we needed to create something that would bring millions of people to visit every year. So we continued to refine our ideas for creating the greatest visitor destination found anywhere; a place where a new level of service and experience could be created because of our opportunity to apply our financial model in a way that all of the physical and virtual elements of Destiny USA could be connected. It became clear to us in the process that in addition to awareness, Destiny USA would really become the largest and most exciting research complex every imagined. A place where for the first time, active research could occur with the interactions and involvement of millions of people in a real life setting designed to create outcomes to improve the way people live their lives.

Chapter VII

Untapped Opportunities

**As we continued to** focus on the huge potential for bringing companies and people together in new ways, the quality of the resulting research and intellectual property became enormous, in fact, in some ways unlimited. We began to stretch ourselves to think about the possibilities. With each new company came new ideas. With each new idea came new opportunities and with each new opportunity came the chance to reinforce our commitment to do something that could positively impact our country and the world.
We soon went well beyond our commitment to operate 100% fossil fuel free. We were confident that we could impact the country’s dependency on imported oil by creating a competitive environment focused on building widespread awareness of new renewable energy solutions. People’s awareness of renewable energy would lead to acceptance and their use would increase dramatically.

Our research and development focus continued to expand well beyond renewable energy, technology and security into many other areas that could positively impact people’s lives. Concepts and technologies such as RFID, indoor air quality, waste management programs, human behavior satisfaction and workforce performance could also be studied and improved. The most innovative idea continues to live on, promoting new research and development in an environment that is unprecedented. The impacts and benefits that can grow from research expand well beyond the physical boundaries of any building structure. We will succeed in taking R&D out of the back room and putting it on center stage for the world to benefit.

Chapter VIII

Falling into Place

Opportunities were realized in the years 2004 & 2005. Over a dozen trips to Europe resulted in commitments for international retail and dining content new to the United States, as well as exciting design progression. “Green Bonds” were approved by the United States Senate and House of Representatives – an unprecedented step forward for projects committed to the use of renewable energy and sustainable design.

In December 2004, we closed on a loan for nearly $700 million to be used for the transformation of Carousel Center into Destiny USA. Following this critical piece of financing, there was an intense focus on bringing together the right people and companies to develop the technology and resources necessary to bring Destiny USA to life. Hundreds of people were brought together to “mine their minds” in the areas of Design & Construction, Security, Energy, Workforce and Logistics. These were intensive brainstorming sessions where the most out-of-the-box ideas were transformed into detailed plans for implementation.

We realized that in order to implement these technologies and tools successfully, we needed these companies to imbed themselves into the culture of our team and work collaboratively together. By July 2005, over 150 people, representing dozens of companies were collaborating at the former Carousel Center Skydeck, now the Destiny USA Center for Collaboration & Innovation. We invested over $3 million to build the Center, along with over $2 million of state-of-the-art equipment to cre-
ate the technology infrastructure necessary to support our plans to create Destiny USA. Major initiatives are currently underway in the areas of digital simulation and modeling technology used to design & construct Destiny USA and workforce recruitment, training and development.

One of the most pivotal milestones for our project occurred on August 23, 2005, we first 200 Destiny USA team members were offered positions beginning on October 3rd. Our innovative workforce model that focuses on personal characteristics rather than a person’s “resume” enables us to open the doors of opportunity to a diverse, motivated and creative pool of individuals.

Shortly following the workforce announcement, literally “tons” of steel arrived in Syracuse by train from Indiana. The delivery of over 8,000 pounds was only the first order of the over 27,000 tons of steel necessary for the building foundations for the first phase of Destiny USA.

The collaboration center, steel delivery and hiring of the first people who will build and operate Destiny USA represent the manifestation of how prepared and committed we are to seeing Destiny USA realized.

Chapter IX

The Journey Continues

While the journey to date has included many paths, and many challenges, the one constant that has remained unchanged throughout is our team culture. It provides us with the mental strength and focus that is necessary to continue to move an initiative of this magnitude forward. While much has been accomplished, there are still more great things to come. We are excited, passionate and committed to our goals and we are confident that with the energies and ideas of those involved, we will succeed.

To Be Continued…
A Timeline of Destiny USA

The vision to see what is possible...
In the early 1980’s, The Pyramid Companies had become one of the most successful retail development firms in the country. Proud to call Central New York home, Pyramid founder Bob Congel began to focus on developing a project in the City of Syracuse that could be a catalyst for the economic and environmental development of an entire community. The focus soon fell on an 800-acre environmental and economic wasteland... an area the community had long-ago named “Oil City.”

1983
Robert Congel and The Pyramid Companies Begin Plans for Transforming the Syracuse Lakefront Area

A plan is developed...elected officials and the community respond favorably

The initial concepts for the Syracuse Lakefront Area were sketched on a napkin by Bob Congel and partner Bruce Kenan. The partners saw tremendous opportunities; excellent highway access, proximity to downtown, an undeveloped urban waterfront, and a location central to the entire region.

July 10, 1987
Plans are released for Carousel Center and the balance of the Lakefront Area “My reaction initially is one of excitement and cautious enthusiasm,” said Mayor Tom Young at the time in a Syracuse Newspaper article.

November 12, 1987
Carousel Center Environmental Statement filed estimating the creation of 2,300 Jobs and other related economic benefits.

June 23, 1988
Pyramid and City reach agreement on an innovative financial model enabling Pyramid to construct Carousel Center and invest other dollars in the Lakefront Area. To commemorate the finalization of the Payment in Lieu of Tax Agreement (PILOT) a press conference was held on the roof of Mission Landing in Franklin Square.
With strong governmental leadership change begins… Simultaneously starting at two corners of the Lakefront Area, Carousel Center and a reclaimed Franklin Square are developed.

May 1989
Construction of Carousel Center began, absent a traditional groundbreaking ceremony

June 9, 1989
Franklin Square Park Opens

Carousel Center opens creating new economic impacts. Government leaders and community stakeholders increase efforts to redevelop contaminated lands and brownfield sites and the Lakefront Area begins to be an asset to the community

The Clean-up of Onondaga Lake is mandated by a federal court order

April 1992
The Syracuse Industrial Development Agency (SIDA) takes a bold step and begins Eminent Domain Process to acquire lands owned by the oil companies.

With the creation of new infrastructure and amenities and major investments by Pyramid in several strategic properties in Franklin Square, significant private sector development activity emerges in the Lakefront Area.

The Ripples Widen – The Inner Harbor transformation begins and developments move forward in and around the Lakefront Area.

April 1997
P&C Stadium Opens

November 1999
The Metropolitan Development Association Tourism Report prepared by national tourism consultant Cumings McNulty is released. Onondaga County Executive Nick Pirro meets with Bob Congel to urge Pyramid to move forward with an expansion.
April 30, 2000
Carousel Expansion Plans Publicly Released. The multi-phased project included a budget of $900 million and was slated to be implemented over a 4-7 year timeframe

June 8, 2000
At the request of SIDA, Economic Research Associates (ERA), an internationally recognized research firm released their findings on the Carousel Center Expansion noting that millions of people would be attracted to the area, creating thousands of jobs.

November 18, 2000
Last Oil Tanks Removed within Oil City. To celebrate the community hosted a celebration entitled “Tanks and Franks”

November 30, 2000
Central New York Learning Alliance established as a vehicle to promote training and education within the “Expanded Carousel Center”

The PILOT Agreement passes and the project evolution begins....

The City and County agree to re-invest the property taxes realized from the expansion back into the initiative, similar to the “no cost-no risk” financing structure so successfully applied in the original Carousel Center and Franklin Square projects. The PILOT is the cornerstone of the financial structure for the initiative.

December 31, 2000
The Erie Canal (New York State Canal System) is formally designated as a National Heritage Corridor by the United States Congress

January 2001
County Legislature Approves Original PILOT Agreement by a 14-10 vote

April 2001
Representatives of the Company meet with Empire State Development Corporation to discuss the creation of a global marketing fund for all of the tourism assets across Upstate New York – funded by the state portion.
Transitioning from a very large shopping center into a resort destination……

The opening of the Savannah Pines Lodge and the passage of the Upstate New York Tourism Legislation leads to multiple planning sessions with diverse groups of people to create a one-of-a-kind destination.

October 31, 2001
Upstate New York Tourism Bill signed into law at Carousel Center, at which the Destiny USA Name and Logo are unveiled.

November 16, 2001
Public Meeting held at OnCenter -- over 7,000 people attend. Attendees get a glimpse of the plans to transform the Lakefront Area into a resort destination

December 6, 2001
ERA estimates considerable economic benefits will result from the scope of Destiny USA. ERA projects millions of out of state visitors will come to Destiny USA

All levels of government affirm their support for an innovative initiative…..

The City and County place Destiny USA in an Empire Zone and the Federal Government Approves an Empowerment Zone Application for Syracuse and Onondaga County

January 1, 2002
Matthew J. Driscoll begins his first full term as Mayor of the City of Syracuse

January 2002
Syracuse designated as a Federal Empowerment Zone by the United States Department of Housing and Urban Development. The jobs associated with Destiny USA initiative played an integral role in Syracuse’s selection

January 22, 2002
City of Syracuse Unanimously Approves Destiny USA legislation by a vote of 9-0

February 4, 2002
County of Onondaga Approves PILOT Agreement by a vote of 17-1
September 2002
Destiny USA partners with community organizations and creates a construction training program for the unemployed and underemployed.

The Destiny USA Team considers its future, reaffirms its commitment to construct and operate the nation’s next resort destination in Syracuse, New York, and continues global search for content.

January 2004
Destiny USA Team members travel to Europe (the first of several trips) to secure content providers. This trip included meetings with the US Ambassador to Italy (Ambassador Mel Sembler).

March 5, 2004
AKRF finalizes report on opportunity for job growth in Upstate Centered around Renewable Energy, Technology, and Security companies. AKRF concluded that Destiny USA could spark in excess of 100,000 new jobs within these sectors along

October 2004
“Green Bonds” approved by the United States Senate & House of Representatives.

October 21, 2004
Syracuse Inner Harbor board of directors selects Destiny USA to develop the Inner Harbor.

December 2004
Destiny USA closes on a loan for nearly $700 million to be used for the transformation of Carousel Center into Destiny USA.

March 2, 2005
Destiny USA announces plans to develop world-class R&D Park.

July 15, 2005
Destiny USA begins advertising to recruit team members.

August 19, 2005
Destiny USA offers careers to its first 200 employees.
Savannah Dhu

Savannah Dhu offers miles of walking and hiking trails. A sporting clay course is fun and challenging no matter what your shooting skill. Every season offers new and exciting activities around the farm. Winter features ice fishing, skiing, sledding, and skating (as well as an occasional curling tournament). Spring and summer are the times for fishing and swimming in the ponds.

Savannah Dhu is a place for people to gather, relax, celebrate and rejuvenate but, above all else, it is an integral part of the Congel family, and it is an example of their love of the outdoors. As a guest you are welcomed to feel the comfort, take part in the rituals and feel you are part of this wonderful home.

Savannah Dhu has a very special and unique way of changing how you think and feel about nature and the world that surrounds you. It is a home for all that enter, inviting you to keep your boots on, put your feet up and leave your cares at the door. It is an emotional experience meant to be savored and remembered.

The Conference Barn

Great progress has been made on the property over the last two decades to restore and preserve the natural environment. The Conference Barn was built on the foundation of the former East Lodge. This late 1800’s Pennsylvania-New York Dutch-style barn, with is shed roof extensions and silo, has eleven bedrooms accommodating 30 guests. An underground parking facility and serene meeting space are just some of the amenities. The 7,000 square foot hall and state-of-the-art kitchen are capable of accommodating up to 300-400 guests and is site of cooking classes, especially the culinary art of preparing wild game.
The structure also contains a meat processing plant, a smoke house and a room for making maple syrup. Built in the traditional way with old barn materials, it is a unique addition to the Savannah Dhu experience.

The magnificent facility was inspired by the desire for a visionary space for international guests to meet, discuss and develop ways to enhance the world, through technology, renewable energy and security products that will be nurtured and centered at Destiny USA, a sustainable design initiative of major interest and concern to everyone in the world.

**The Intellectual Thinking Houses**

Designed and inspired by the surroundings of Savannah Dhu, the Intellectual Thinking Houses provide the ideal setting for small teams to collaborate. Designed as your living room outdoors, these inviting houses, 20 feet above the ground and scattered throughout the property have inspired 1000’s to dream big and develop solutions to problems thought to be impossible.

Savannah Dhu is the ideal setting to work, play and relax. It is the perfect environment in which to nurture and develop grand ideas and explore the possibilities of what wonderful things the future hold.
Participating Companies

DestinyUSA has been a collaboration from the beginning. A project of this magnitude is never the product of one mind. From the birth of the idea we sought the thoughts, and the wisdom, of people from around the world. We brought together the dreamers and the skeptics, the builders and the academics, the politicians and the businesspeople, all of whom contributed to an evolution unlike anything before. The assembly of their thoughts is now the foundation of this amazing project. There is a piece of each of them in everything that will be Destiny.
Steve Brittan  Burt Hill, Kosar & Rittleman Associates
Michael Schroeder  Burt Hill, Kosar & Rittleman Associates
Hon Charlie King  Candidate for Attorney General
Gerard Capraro  Capraro Technologies
Marie Huff-Hernandez  Cart-Rite
Robert James  Carver State Bank
Ira Rubenstein  Center for Economic and Environmental Partnership
Alessio Giorgetti  Central Films
Matt Summy  CH Johnson Consulting
Paul Raggio  Chenega Security & Protection Services
Timothy Vigue  Cianbro Corporation
Dave Clute  Cisco Systems
Carl Gambello  Cisco Systems
Bill Jacobs  Cisco Systems
Scott Launt  Cisco Systems
Wolfgang Wagener  Cisco Systems
Joseph Williams  Cisco Systems
Stephen Kindel  Citigroup Private Bank
John Barotti  Clark Construction Group
Tim Galvin  Clark Construction Group
Dave Golden  Clark Construction Group
Bud Grove  Clark Construction Group
Bernard Grove  Clark Construction Group
James Hooff  Clark Construction Group
Myke Price  Clark Construction Group
Joe Delmonico  Clear Channel
Barbara Miller  Clear Channel
Andrew Clinton  Clinton International LLC
Dave Marmelstein  Club Car
Susan Bonds  Colab Architecture
Jerry Cordasco  Compass Technologies
Anurag Varma  Conlon
Lawrence Blanford  Consultant
Tom Martin  ConsultantEcon, Inc
Laurie Liechty  Contemporary Personnel Staffing
Meg Sherman  Contemporary Personnel Staffing
David O’Neal  Conventional Wisdom
Ronn Lehmann  Cooperstown GetAway
Nicholas Palevsky  Cornell University
Doug Mitarotonda  Cornell University Real Estate Program
Brad Olson  Corning Museum of Glass
Beth Duane  Cortland County BDC
Bob Smith  Costello Cooney & Fearnan, PLLC
Richard Pellar  Crown Coor, Inc.
Carolyn Allen  CSA Construction Services
Mike Beaton  CVS Realty Co.
Bill Jacob  CVS Realty Co.
Charles Blackmore  Cyntek Technology Services
Erik Eure  D.O.V.E
Eric Dadd  Dadd and Nelson
DalPos, Al  Dal Pos Architects, LLC
John Bartolotti  Dal Pos Architects, LLC
Scott Bloss  Dal Pos Architects, LLC
Scott Folts  Dal Pos Architects, LLC
Bartolotti, John  Dal Pos Architects, LLC
Pierre Martel  Dassault
Bob Brown  Dassault Systems
Suzanne Gibb  Neculai Tutos
Andrew McKechna  Cleve Langton
Bill Nuffer  James Lonbugco
Robert Liscouski  Kurt Culbertson
Diane Defrance  Hyde Ryan
Gary Hendrickson  Sid Devorsetz
Greg Faucher  Bill Bank
Greg Faucher  Michael Schmitt
Hon Nellie McKay  EDR
Eggrock LLC
Elkus, Manfredi Architects
Ellis-Don Construction, Inc.
Ellis-Don Construction, Inc.
Ellis-Don Construction, Inc.
Economics Research
Economics Research
Economics Research
EmLogis
ENSCO, INC
Engineering / TIG
Envirosell, Inc.
Erie Canalway
National Heritage Corridor
Ernst and Young
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Examec
Exec. Director
EY Partner
E-Z-GO Textron
E-Z-GO Textron
Fahrenhilt 212
Fahrenhilt 212
Falcon’s Treehouse
Falcon’s Treehouse
Federal Express
Finger Lakes Community College
Finger Lakes Community College
Finger Lakes Railway Corp.
Joe Orlando Joe Orlando & Son Builders
Dave Angelo Johnson Controls
Martin Strones Johnson Controls
Ed Appel Joint Council on Inf.
Karen Watson Karen Watson Mortgage
Milton Watshlag Katten Muchin Zavis
Murat Bayiz Kiran Consulting Group
Kurt Pelton KMP Media/Marketing
David Kolbe Kolbe Corp
Gene Bertsche Kyocera Solar, Inc.
William Hogan L&H Partners
James Shames L-3 Communications
Devin DalPos Laker Development Group
Ron Rauscher Larson Engineers
Ram Srivastava Larson Design Group Inc.
Greg Moser Larson Design Group, Inc.
Rob Gher Larbeof, Lamb, and Greene & Mac Rae, LLP
Robert Cudd LeBoeuf, Lamb, and Greene & Mac Rae, LLP
Stephen Howard Lehman Brothers
Gary Killian Lehman Brothers
Stephen Lessing Lehman Brothers
Jack Oliver Lehman Brothers
Terry Leikewine Leikewine Holding Co.
Josh Phillips Lenel Systems
Lexi Courtesiss Lexicon Graphix
David Johnston Loss Management
Jon Magnusson Magnusson Klemencic Associates
Brian Giampaoli March Networks Corporation
Peter Wilenius March Networks Corporation
William Otto Marcus Hotels & Resorts
Chuck Beeler Mark Russell Associates
J. Marc Lewis MasTec, Inc.
Nicholas Turben MasTec, Inc.
Michael Wasylenko Maxwell School @SU
Rodney Smith Mica Technologies
Rosemary McCormick McCormick Marketing
Norbert Young McGraw Hill Construction
Harvey M. Bernstein McGraw-Hill Construction
Steve Jones McGraw-Hill Construction
Bakeman Greg Mckenzie Bay
Gary Westerholm Mckenzie Bay
Gary Westerholm Mckenzie Bay
Philip Cooper Melant Group
Peter Chernack Meta Vision
Mike Barbato Microsoft Corporation
John Blair Microsoft Corporation
Jim Cirone Microsoft Corporation
Lazarro Diaz Microsoft Corporation
Pat Donker Microsoft Corporation
Dave Hinman Microsoft Corporation
Butler, Jeff Microsoft Corporation
Elzia, Keith Microsoft Corporation
David Kiker Microsoft Corporation
Kristin Kinan Microsoft Corporation
John Landry Microsoft Corporation
Vernon Lee Microsoft Corporation
Iain McDonald Microsoft Corporation
Larry Mead Microsoft Corporation
Keith Partington Microsoft Corporation
Cliff Reeves Microsoft Corporation
Winston Smith Microsoft Corporation
Paul Thomalla Microsoft Corporation
Michael Turner Microsoft Corporation
Barren Bell MindChyld Comics
Tom Saddler MIT
Cindy Apostel Mitel Networks
Jim Davies Mitel Networks
Tony Jenkins Mitel Networks
Beemish, Steve Mitel Networks
Jenkins, Tony Mitel Networks
Kenneth Zanni Mitel Networks
Takashi Kiuchi Mitsubishi
Sarah Slaughter MOCA Systems
Frank Przybycien Moca Consulting
Chris Grasso Monster.com
Hugh Lacy Mueser Rutledge Consulting
Mark Tiedeman MWV Architecture, PC
Roger Corbin Nassau County Leg & Deputy Presiding Officer
Ed Tombari Nat’t Assoc of Home Builders
Kathryn Mannes National Retail Federation
John Cerio Northrop Grumman
Christopher Grosso Notion Pictures
Peter Rafalow Notion Pictures
Neila Anderson NSB Management Co.
Hon. William Barclay NYS Assembleman
Sandy Cisco NYS Dept of Labor
Hon Kevin Parker Onondaga County
Paul Ziegler Onondaga County
Western Don Onondaga County
Nicholas Pirro Onondaga County
Anthony Rivizigno Onondaga County
Chris Russo OsiSoft
Raymond Moncini Otis-UTC Company
Tom Paladino Paladino & Co.
Willie Palmer Palmer & Asso.
Keith Bernard Parsons Brinckerhoff
Patricia Lynch Pat Lynch and Associates
Patricia Mathis Pat Mathis Construction
Allen Kryger Company
Gayle Kryger Peak Resorts Inc.
Dave Smith Peak Resorts Inc.
Robert Pfuntner Pelco
Ericka Scott Pembrook Pines Media Group
Brett Bauer Pembrook Pines Media Group
PennDD Allison People’s AME Church
Transmission
Harry Thompson Permasteela/Garnet
Rusberto Ricchiharelli Philadelphia Police Dept
Thomas Seaman PJM
Frank Burgess PlayGround
Harley Rinzler PlayGround
Christopher Sliney Pleasant Valley Wine Co.
Patrick Doyle PNS Communications
Greg Silvestri PNS Communications
Robert Sinuc PNS Communications
Gary Jentzen PNS Communications
Rich McAfee PNS Communications
Guil Ponce de Leon PNS Communications
Bob Sanders PNS Communications
Bruce Stephan PNS Communications
Houston Williams Pres of Democ Club
Thomas Leyden in Manhattan
JoAnne Henry Professional Arrangements
Carolyn Bell Professional Arrangements

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Destiny USA Overview

An Experience Like Nothing Else

Destiny USA, designed to be the world’s largest enclosed and integrated structure, will provide a unique blend of experience and experiment. Located in Syracuse, New York, and easily accessible to 130 million residents in northeast United States and Canada, it is projected to be the most visited single leisure destination on earth. Operating with a unique single-owner model, all of Destiny USA’s dining, shopping, entertainment, hospitality, and recreation venues are physically and virtually connected, providing guests with a matchless combination of experiences and convenience.

Destiny USA’s commitment to operating 100% free of fossil fuels will demonstrate practical ways to break the world’s addiction to oil. Destiny USA will be a showcase for the world’s most advanced technologies and services and a showroom for the latest and best products and brands.

- From the design of the hotels…. to the staff who work in them.
- From the food in the restaurants…. to the energy that powers them.
- From a new paradigm in shopping… to the regeneration of an entire region.
- From a perpetual spring climate… to technology designed to make the experience effortless.

Unencumbered by existing procedures and out-dated philosophies, Destiny USA is taking advantage of the opportunity to uniquely merge shopping, dining, entertainment, and accommodation. The world’s most progressive companies will develop products, services and experiences specifically for Destiny USA.

This will ensure that “what comes next, comes here first™.”
Life As It Should Be

As a visitor to Destiny USA, you will enjoy an extraordinary breadth of activities and amazement. Never before has such a mix of retail, entertainment, dining, and accommodation existed in one place, under one roof.

You will enjoy a seamless signature experience - whatever you chose to do. Destiny USA’s revolutionary business model involves one single owner and one single technology platform that integrates everything at Destiny USA.

Destiny USA has been designed specifically for everyone. It will attract more people, more often, and more profitably than anything ever built. Uniquely configured to be inclusive, Destiny USA will deliver fascination and discovery for everyone with a distinctive blend of experience and experiment.

New and exciting ways to discover and experience life as it should be.

Shopping As It Should Be

At Destiny USA, shopping will be about you, not the manufacturers. It will focus on lifestyles, not product ranges. Stores, and even hotels and restaurants, will be showrooms for products and experiences to try and buy as you please.

Destiny USA will be home to both the world’s leading retail brands and unique flagship lifestyle stores. These lifestyle stores will be as dynamic as the brands they represent and will become destinations in themselves. The whole retail experience—from presentation to delivery—will be seamless and customized. Secure transactions will give you complete peace of mind, and shopping at Destiny USA gets more personalized and more rewarding, with each visit.

Entertainment As It Should Be

Entertainment has never been this amazing, diverse, concentrated, or easy to step into. Destiny USA will offer the most extensive and intensive range of world-leading entertainment ever gathered together in one place. All housed inside a perfectly climate-controlled environment for you to enjoy—all year round.

Destiny USA will bring together the latest in technology with the world’s best design to create entertainment that takes you deep inside the experience.
The integrity of the Destiny USA technology infrastructure means that you can have complete assurance that your whole family is having fun in a safe, secure, and supervised environment. Leaving everyone to do exactly what they want, when they want.

It’s Dining As It Should Be.

Destiny USA’s philosophy about food is simple. Real Food promotes a philosophy of health, authenticity, origins, and renewed appreciation. Real Food focuses not just on the food, but the integrity of the preparation and the delight of the experience. This is applied to everything from convenience food to five-star dining.

An enjoyable, healthy, and inspiring eating experience should be part of everyday life, not just a rare occasion.

The Real Food experience is not rented and left behind; it is owned. Real Food can be taken into everyday life back home. The information, ingredients, recipe guide and cultural origins of everything you eat and drink at Destiny USA is captured for you to relive—whenever and wherever you want.

It’s Accommodation As It Should Be.

Staying at Destiny USA will be an experience in itself. We’ve replaced the hotel room experience and created LivingRooms™.

Your Destiny USA LivingRoom will be your personal oasis and the hub of your entire experience. The LivingRoom will let you design your own living environment from six custom experiences —instantly transforming the environment of the whole room to reflect your mood.

Your LivingRoom will also be embedded with the latest technology that will give you a window into and instant access to the whole of Destiny USA. Your Dynamic Closet™ will allow you to transform your room into your own private VIP fitting room.
Operating Destiny USA

Destiny USA will own all the dining, entertainment, retail, and hospitality venues, which will be branded and operated by third parties. The project will operate with an innovative 21st century workforce model.

More than 90% of the workforce will be Destiny USA employees managed by the third parties. Destiny USA will be responsible for employee training, compensation, and advancement. This operating model will benefit our business partners and consumers, as well as our employees.

Destiny USA will also use innovative techniques in technology of its day-to-day operations. It will operate completely free of fossil fuels, utilizing renewable energy sources. Every operation required to operate Destiny USA from logistics to security will take advantage of state-of-the-art innovations in technology—all made possible by Destiny USA's technical infrastructure.

Logistics

Whether it is the flow of products throughout the facility, the movement of people and their baggage, the delivery of purchases made in retail venues, or the removal of waste and recyclable materials, logistics will play a critical role in the day-to-day operations at Destiny USA. All logistics operations will also evolve as innovations based on competition occur, constantly proving the viability of today and tomorrow's technology.

People Logistics

People Logistics will support the movement of visitors and their baggage upon arrival and departure as well as traveling throughout the facility during their stay. This area will also cover the daily movement of employees to and from their jobs. Destiny USA will provide multiple ways of moving people to and through the facility, including walkways, elevators, escalators, line-haul, Personal Rapid Transit (PRT), and streetcars. Each mode of transportation will seamlessly integrate with the facility and provide visitors with an experience.

Destiny USA's people logistics plan extends beyond the actual facility itself. It must also account for visitors coming to Destiny USA. To address this, enhancements to the airport, a monorail, regional bus service, and roadway infrastructure improvements are all planned to help visitors come to Destiny USA.
Product Logistics

Product Logistics will support the flow of goods for resale and consumption between suppliers and Destiny USA, the delivery of purchases and returns made in retail venues, and the removal of waste and recyclable materials.

To serve Destiny USA’s product logistics needs there will be a centralized distribution center, allowing Destiny USA to receive and ship from one location. All product logistics will incorporate the “just in time” concept, making the product logistics fast and efficient with seamless integration between the distribution center and material handling systems that move waste and retail products.

And all product logistics will support customer choice, giving them a variety of options from picking up their baggage and bringing it to Destiny USA to delivering the products they’ve purchased. All Destiny USA support facilities will be centrally located and maintained, from the food commissary to laundry facilities.

Finally, all logistics systems will take advantage of green energy and will constantly evolve as innovations occur and tomorrow’s technology becomes available.

Green Operations

We make all of Destiny’s strategic and operational decisions using a green “filter” to help us achieve new standards of energy innovation and environmental excellence. All Destiny USA team members are knowledgeable green ambassadors, building awareness and inspiring customers, suppliers, and partners to build a healthier, more secure world. Destiny USA will be climate positive, achieving a positive environmental “footprint. It will operate without fossil fuels. Operating without fossil fuels is only the beginning. Destiny will also reuse or recycle everything possible: 100% of water is reused and the majority of waste is reused or recycled. Destiny will use 50% less energy than average, and all wood that is used will be certified as sustainably harvested. Even the food used in Destiny USA’s restaurants will be organically or locally grown to minimize the environmental impact.

Finally all visitors will be engaged in the green vision before, during, and after their visit by giving them incentives to travel to Destiny USA without using fossil fuels, and Destiny USA’s partners and suppliers must share in and adopt Destiny USA’s green principles.
Security for Partners and Visitors Alike

Public safety and protection is a critical component of the Destiny USA initiative. The size, scope, and number of visitors require that reasonable steps be taken to minimize vulnerability to a terrorist attack. Destiny USA has a unique opportunity to enhance and advance the nation’s security capabilities by integrating public safety and protection into its design. To maximize security program performance and ensure ongoing access to the best security solutions, Destiny USA will create a rigorous, competitive environment for providing security solutions and will incorporated the latest technologies. Destiny USA will adhere to the following key principles in providing security to visitors and partners:

1. Public safety and protection will meet or exceed the world’s highest standards for protection against terror, crime, and natural disaster.
2. The visitor experience will convey a strong sense of ease and comfort.
3. For partners, Destiny USA will create a security environment optimized for business, minimizing shrink and theft.
4. Destiny USA will provide unprecedented opportunity to showcase best-in-the-world technologies.
5. Destiny USA will create partnerships that enhance global competitiveness of U.S. business through the promotion of value, integrity, and compliance—creating a cradle-to-grave “technology testing to the marketplace” reputation.

Perpetual Technology Innovation

The innovative use of leading-edge technology is at the heart of the Destiny USA experience. At Destiny USA, we believe that our unprecedented investment in technology—and our unique partnerships with leading IT innovators—is central to our success.

Tomorrow’s technology, including environmentally sustainable energy, will enable Destiny USA to achieve its goals today: to transform the experience—and the industry structure of its focus industries—while demonstrating our nation’s capacity for leadership in energy policy, environmental quality, and economic growth. Destiny USA is already a unique showcase and living laboratory of the potential for technology to transform how we live, work, and play. At Destiny USA, technology not only enables the experience, it also is the experience.
Destiny USA’s technical platform will be divided into three systems: primary operations, next generation operations, and research operations. The primary systems will be designed to deliver unique leading-edge capabilities and will allow the continual addition of new technologies from both the next generation and research systems. Both the next generation and research systems will operate completely independently of the primary system, allowing them to be used to develop and prove Destiny USA technologies in fully scaled environments. The research system, especially, will allow experimentation with less developed but promising technologies.

A Living Laboratory

Beyond Destiny USA’s stimulating physical environment, the facility is actually a dynamic twenty-four-hour-a-day, seven-day-a-week, research laboratory environment. Designed as a “living laboratory” and springboard for Destiny USA’s strategic partners, the Research and Development Park will provide all of the facilities and amenities necessary to inspire brilliant ideas, develop and test new products, and commercialize them for sale to the public.

The range of technology systems competing in our space will create valuable intellectual property and lead to advances in renewable energy, security, building systems, sustainable design, customer service, and lifestyle technologies. This knowledge, in turn, will serve to educate young people in the United States and beyond.

The proposed $2.6 billion Destiny USA Research and Development Park (R&D Park) is designed to set new standards for commercializing new technologies and consumer products. The unprecedented size, scope, visitation and assemblage of strategic partners will result in the most prolific knowledge-based business ever created. We’ve built in the access and capacity for partner companies to monitor and continuously improve their products and services as they are being used by millions of visitors.

The Concept

The R&D Park will be anchored by a one million square foot signature building with an arch spanning more than 150 feet above Interstates 81 and 90 where more than 150,000 cars pass on a daily basis. The entire R&D Park will be built using sustainable design standards powered 100% by renewable energy and operated using state-of-the-art technology and environmentally friendly best practices. The facility will have an iconic presence in the Upstate New York skyline. The R&D Park totals over 325 acres with 6.5 million square feet of R&D labs, office space, testing facilities, diverse meeting spaces, lodging facilities, and various clustered support facilities.
The existing brownfields will be completely transformed, as exterior areas will be beautifully landscaped to include trees, park benches, ponds, and waterfalls. Both the outdoor amenities and the Signature Building itself will be integrated into Ley Creek and Bear Trap Creek. The development addresses multiple environmental challenges including the adaptive reuse of the Salina Landfill, thereby saving taxpayer dollars. The R&D Park will employ more than 10,000 permanent workers and generate additional direct and indirect employment opportunities.

Technology Clusters

Renewable Energy Cluster

The Renewable Energy Cluster (REC) will be devoted to the research and development of technologies related to renewable energy production and green building methods. The discoveries and products developed at the REC will be used for commercial and residential applications. Specific types of technologies to be researched include:

- The use of solar energy
- The development of biomass resources
- Using lake and creek water for non-potable uses
- Living machine
- Indoor air quality
- Bio-remediation
- Fuel-cell development
- Sustainable design

Security Cluster

The Security Cluster will focus on the research and development of new security methods, systems, tools, and technologies that will be employed at Destiny USA where public safety and the protection of visitors, employees, and business data is critical. Development of similar security technologies will be developed for public, private, and government applications. Industry sectors will include:

- Biometrics
- Detection systems
- Inspection systems
- Surveillance
Logistics Cluster

The Logistics Cluster will be devoted to the research and development of operational handling technologies, applications, and systems designed for the movement of people as well as the distribution and replacement of products and materials utilized throughout Destiny USA. The advanced handling systems developed at the Logistics Cluster will be further refined for commercial applications, such as metropolitan transit systems, baggage systems, etc. Types of technologies for the movement of people and materials include:

- Personal Rapid Transit (PRT)
- Automated People Mover (APM)
- Metropolitan transit systems
- Materials handling systems
- Baggage systems

Lifestyle Technology Cluster

The Lifestyle Technology cluster will focus on product development (hardware and software) for a variety of applications designed to enhance our day-to-day life experiences. Products developed will be used by every visitor at Destiny USA to integrate their guest experience to the entire Destiny USA infrastructure. Data gathered from the products will be fed in real-time to the Lifestyle Technology cluster to monitor and analyze visitor usage to further refine the products and applications. This living laboratory environment provides a best case scenario for creating the best possible products in the shortest most cost effective timeframe. Similar lifestyle technologies will be developed for public, private, education, and government applications. Types of industry sectors include:

- Communications
- E-commerce
- Education
The Destiny Company

The Destiny Company is an umbrella organization for several initiatives that all work towards creating a sustainable future. Initiatives include:

- Creating awareness
  - Public policy initiatives
  - Education as entertainment
  - Innovation through competition
- Research and Development Center
- Large-scale wind farms
- Housing initiatives for Destiny USA and R&D employees
- Multiple Destiny USA locations across the country

Destiny USA will serve as a model for a new type of economic development, transforming economies and leading the way to a stronger and more secure America. A partnership between public interests and private entrepreneurship is the driving force.

Public Policy

The Destiny Company has been, and will continue to be, an active advocate for new legislation at the local, state, and Federal levels to provide a transformative effect on the economy. The legislation enacted to date to support our efforts includes:

- Pioneering the PILOT (Payment of Lieu of Taxes) program – City of Syracuse/County of Onondaga
- Participating in the Empire Zone Program – New York State
- Take part in the Brownfield Remediation Program – New York State
- Developing innovative Marketing Fund Legislation – New York State
- Participating in the Empowerment Zone Program – Federal Government
- Formulating Green Building Standards - Green Bond Legislation – Federal Government
- Promoting Digital Project Simulation – US Transportation Bill – Federal Government
Financial Model

The Destiny Company has created a scaleable, performance-based business model that protects the taxpayer from cost and risk. This model, coupled with our innovative single owner operation strategy impacts the business in four areas:

1. Operational Gains
   - Increased revenues
   - Reduction in expenses
   - Increased net operating income

2. An increase in cash flow from saved property tax payments and educational grants

3. An improved capital model

4. Our profit reinvestment initiative

The Destiny USA Impact

Our financial model allows us to raise 100% of the required capital, freeing us from historical capital constraints.

Destiny USA will transform the economy in Upstate New York by:

- Creating, 250,000 new jobs (120,000 of which will have a salary level of $60,000).
- More than $65 billion in new net taxes will be created over 30 years.
- The New York tourism industry will generate new dollars from outside the state.

National and International Impact

Destiny USA’s commitment to operate 100% fossil fuel free combined with its competitive renewable energy model will reduce the country’s dependence on oil, accelerate research and development of renewable energy sources, and set new standards in sustainable design and operation.

Finally, the emphasis on innovation will result in significant new ideas, technologies, and business collaboration that will advance America’s global position as a technology leader.
Local Government Support

*The PILOT Agreement*

The City of Syracuse and Onondaga County agreed to freeze real property taxes at the current level for 30 years, and the City of Syracuse made the Syracuse Industrial Development Agency (SIDA) available to receive incremental Payments In Lieu Of Taxes (PILOT). All PILOT payments will be devoted to debt service on bonds to be used to fund Destiny USA development costs. SIDA’s sole role is that of facilitator. SIDA, the City and the County put up no money and assume no credit or repayment risk.

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<th>Incentive:</th>
<th>PILOT (Payments In Lieu Of Taxes)</th>
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<td>Terms:</td>
<td>PILOT payments devoted to debt service on bonds.</td>
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<td>Bonds amortized over 30 years; predominantly tax exempt.</td>
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<tr>
<td>Benefit:</td>
<td>Destiny USA can finance and build a larger project.</td>
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<td>Requirements:</td>
<td>New sales tax revenues and jobs need to be created.</td>
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State Government Support

*New York State Empire Zone Benefits*

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<th>Induce economic development and job creation</th>
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<td>Incentive:</td>
<td>Property tax rebate/PILOT rebate, employee wage credit, income tax credit.</td>
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**Property Tax Rebate Schedule:**

- First 10 Years: 100%
- 11th Year: 80%
- 12th Year: 60%
- 13th Year: 40%
- 14th Year: 20%

| Benefit: | Income stream and credits can be capitalized to cover more of the completion costs. |
| Requirement: | Benefit capped at $10,000 per new job created |

State Government Support

*New York State Brownfield program*

<table>
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<th>Encourage the reclamation and redevelopment of Brownfield properties.</th>
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<td>Incentive:</td>
<td>Investment tax credit</td>
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<td>Benefit:</td>
<td>Equivalent to 12% of the depreciable capital invested on the reclaimed brownfield.</td>
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<td>Requirement:</td>
<td>Clean brownfield and develop building before any incentive is earned</td>
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Federal Government Support

United States Empowerment Zone Program
Purpose: Encourage job creation
Incentive: Employee wage credit
Benefit: Equal to $3,000 for five years for each qualified employee.

Federal Government Support

Green Bonds
Purpose: Encourage “Green” construction
Incentive: Offers qualifying projects $2 billion of tax exempt borrowing.
Benefit: Destiny USA in line to qualify for approximately $900 million dollars worth of tax exempt borrowing
Requirement: Reduce sulfur dioxide output by 10 tons/day, Increase in the growth of the photovoltaic market by 70%, Reduction of electrical demands over conventional consumption by 120 megawatts, Deployment of 25MW of fuel cell energy.

A central goal of Destiny USA is to break our dependence on fossil fuels to improve the quality of life for people around the world. Destiny USA will demonstrate on a large scale the viability of green energy, leading the way for similar initiatives around the globe. It will to help resolve one of the great challenges confronting the world today—how to replace fossil fuels with clean and renewable alternatives.

Creating a Green Landmark

Destiny USA will generate new awareness about energy innovation and environmental sustainability—setting new green standards in design, construction, transportation, and visitor offerings by:
- Operating fossil-fuel free
- Applying sustainability to everything we do, including our workforce strategy
- Working with partners who share our vision
Green Principles

We make all of Destiny's strategic and operational decisions using a green “filter” to help us achieve new standards of energy innovation and environmental excellence. All Destiny team members are knowledgeable green ambassadors, building awareness and inspiring customers, suppliers, and partners to build a healthier, more secure world. We take a holistic view of how we affect the environment, asking where things come from, what they are made of, and how they might be reused or recycled. We provide a living model of sustainable, fossil-fuel free living, stimulating change locally, regionally, and globally. Living green is a journey, not a destination. We continually innovate and improve environmental performance based on measurements and competition.

Green Goals

Destiny USA will achieve a positive environmental “footprint”, operating completely without fossil fuels. All Destiny USA vehicles run without fossil fuels. These are positive steps toward mitigating climate change. Operating without fossil fuels is only the beginning. Destiny will also reuse or recycle everything possible: 100% of water is reused and the majority of waste is reused or recycled. Destiny will use 50% less energy than average, and all wood that is used will be certified as sustainably harvested. The food used in Destiny USA’s restaurants will be organically or locally grown to minimize environmental impact. All customers will be engaged in the green vision before, during, and after their visit through incentives to travel without using fossil fuels, and Destiny USA’s partners and suppliers must share in and adopt Destiny USA’s Green Principles. Using renewable energy will catalyze the industry and encourage competition among green power providers, making renewable energy cost competitive and accelerating the progress and use of alternative energy sources. Finally, Destiny USA will invest 95% of profits into Research and Development, advancing clean energy and other environmental technology. Destiny USA also works to influence public policy on green issues.

Why Green?

Energy and environmental pressures are real, and they threaten our existence and way of life. We have a responsibility to our community, our nation, and the world to develop and use alternative energy. It’s the right thing to do.
Destiny USA’s commitment to green will enhance our national security by reducing our dependence on foreign oil and no longer sending money to countries that fund our enemies, but it also makes good business sense. Partners, the community, and our customers all will expect environmental excellence and will begin to reward it in the marketplace. The competitive advantage in saving money will drive new sources of revenue and lower business risk.

The 21st Century world we’ll help create will provide:

- Energy innovation
- Jobs in new sectors
- New technologies
- Revitalized agriculture
- Improved transportation
- Cleaned up “Cancers” on the earth
- Healthy buildings
- Less global conflict over natural resources

2.3 Driving Innovation

Competition

First, the actual construction of Destiny USA is driving innovation by fostering competition to ensure quality and forward thinking. One example is the use of 3-D design and simulation for the construction of Destiny USA. 3-D design and simulation combines designers with builders—from the beginning of the project continuing past its opening and into the future. Innovative mechanical, electrical, and plumbing solutions are also being evaluated for use during construction.

In addition to 3-D design, a reality TV show will feature the casting and training of teams and the building of Destiny USA’s hotel towers. Teams will be composed of managers from different countries organizing Destiny USA talent. Teams will be judged on time, safety, cost and quality, and innovations in how to compete will be rewarded.

Finally, Destiny USA’s green vision will encourage competition among green power providers to make renewable energy cost competitive with fossil fuels, ultimately reducing our dependence on disappearing fossil fuels.
The Single-Owner Model

Under the single-owner model, Destiny USA does not lease space to retailers but will own all the venues on the Destiny USA site, build them out, and staff them with its own employees. This innovative model allows Destiny USA employees to earn wages and benefits significantly above those paid in a traditional retail environment and to receive significantly more training. This will result in happier, better-motivated workers who stay on the job longer and provide better customer service to visitors. The single owner model is not just innovative in its HR aspects. This model also enables Destiny USA to maintain control over key operational strategies, such as information, energy, technology, and security systems. It will help its partners serve consumers by making it possible to share consumer information among all its partners, creating a more attractive financial model for Destiny USA and its partners.

Research and Development

Finally, the power of the financial model also allows significant re-investment into research and development to continuously drive innovation. This significant investment in research and development of new technologies will drive innovation in new technologies for high-growth, high-need areas, such as renewable energy, security, building systems, sustainable design, transportation, and lifestyle technologies. One manifestation of this commitment to innovation is Destiny USA’s Research and Development Park. This facility will provide all of the facilities and amenities necessary to inspire brilliant ideas, develop and test new products, and commercialize them for sale to the public. It will showcase the best companies in the world developing innovative technologies.

Building Destiny USA

The design and construction of Destiny USA will be as innovative as the visitor experience.

Proven design technologies used in aerospace and other industries will transform the Destiny USA construction process. Employees and companies alike will be motivated to maximize efficiency and innovation by a construction competition of unprecedented scale, similar to the competitive model driving our onsite innovation in alternative energy sources.
To Make Positive Change

Destiny USA vision is to create awareness to help each individual to realize a better tomorrow. By providing the resources for people to discover new ways to improve their lives and re-establishing America’s leadership as a responsible global power, we can change the world one person at a time.

- **Historical** – enabling both domestic visitors and Destiny USA employees to once again feel a renewed sense of pride and demonstrating to international visitors positives of the past and the potential for the future.
- **Environmental** – increasing sensitivity and thought regarding the consumption and deterioration of environmental resources while introducing and making use of environmentally friendly practices to lead the shift ahead of current industry standards.
- **Social** – providing polling stations and convenient access to lines of communication with politicians to provide a simple connection to current events and develop a sense of personal importance in society.
- **Global** – uniting the visionaries and thought leaders of today to give the forward momentum needed to drive competition, awareness, and technology advancement and to grow social awareness. Together, through our collaborative efforts we can work towards a more peaceful world.

To Further Their Career Potential

Destiny USA will become the country’s largest single site employer with 80,000 to 100,000 employees. This creates a unique opportunity to provide a new type of workforce that addresses how to gather talent, manage the employee experience, and grow their capabilities.

The foundation from which the employees will operate is Destiny USA’s culture—a culture that encourages entrepreneurialism, expects stewardship, requires creativity, and rewards accountability. This will result in an incredibly efficient and desirable place to work. It will create an adaptable, innovative, flexible, and customer-centric workforce that will enhance the overall customer experience.
Destiny USA’s innovative career model has several key components. Self-directed work teams drawn from a common talent pool will reduce the need for management, and technology will improve administration and communication. This, even combined with above market compensation and benefits, will create committed and capable employees and reduce overall labor costs, through training, recruiting, and reduced attrition. Finally, these innovations will improve the performance of Destiny USA by increasing the length of stay for visitors, encouraging new and repeat visitors, creating new marketing opportunities, and increasing revenues.

Destiny USA Team

“The great law of culture: let each become all that he was created capable of being.”

— Thomas Carlyle

What Thomas Carlyle says of the culture of nations is equally true of business entities: the best culture allows every participant to fulfill his or her potential. Great organizational cultures engage people by offering them stimulating challenges that demand the full range of their creative and intellectual powers. Working in an environment where one can exercise, and be recognized for, the full range of one’s capabilities is universally ranked near the top on the scale of workplace rewards. When this opportunity is combined with the chance to do work that is perceived as important and beneficial to one’s community and country, there is no more powerful motivator.

Great organizational cultures succeed by developing teams, not systems, made up of people, not assets, and they are structured to realize their goals by tapping into the passion, knowledge, creativity, energy, and talents of each individual in the group.

Destiny USA offers the chance to participate in a unique mission of vital importance. To ensure that Destiny USA itself can realize its full potential, we seek to apply the tools of continuous improvement by looking at our own culture, and testing it against the ideal of a place where the individual and the organization each work to improve the other in support of a common vision.
The major components of the Destiny USA culture are defined as follows:

**Vision:** Our long term aspiration of what Destiny USA will become... A catalyst for perpetual positive change.

**Business Mission:** Create lasting memories... By delivering the ultimate consumer experience to every visitor every day. We will operate in a profitably sustainable manner.

**Economic Mission:** Create a sustainable new regional economy... Through the creation and inducement of new jobs, tax revenues, and capital investment—all risk free and revenue positive.

**Civic Mission:** Improving the quality of our lives by.... Promoting, investing in, and encouraging the research and development of new technologies, including accelerating new renewable energy solutions which will help establish America's independence from fossil fuels.

**Values**

- **Passion.** We believe wholeheartedly in our mission and seek to build our organization with those who are similarly motivated.
- **Operating and communicating in a team based environment.** We rely on the strength of the group. We believe that one person's idea or work product is always enhanced by collective feedback.
- **Maintaining a healthy balance between the demands of work, family, and community.** This is accomplished through improved operating efficiency.
- **We are success-oriented and mentally disciplined.** We measure our progress by clearly defined goals and only accept optimization of opportunity.
- **Honesty, Integrity, and Trust.** Truthfulness and forthright behavior result in trust. All are vital for team survival.
Leadership

The core team is, by design, a small, agile organization. Each team member possesses the necessary characteristics of passion and instinct. The Destiny Company strategy is to create and maintain a strong core team, enhanced by the best advisors, consultants, partners, and associates found anywhere in the world. These third-party team members share our core values and are a critical element of our culture. The core team commits to play two important roles: first as a contributing member of the free thinking, brainstorming, and creative process and second, as an enabler for executing the strategy which supports the vision. Each team member provides consistent and active leadership in communicating and supporting the vision for The Destiny Company.

Core Team Members

Robert C. Congel, Chairman and Founder
Bruce Kenan, Founding Partner
Stepen A. Congel, Founding Partner
Michael J. Lorenz, CEO
David M. Aitken
Linda Alvarado
Robi Banerjee
Marcia B. Burkey
Jeffrey Cohen
Twiggy M. Eure
Gerald C. Gugger
Tina M. O’Mara
Richard C. Pietrafesa
Benjamin Polote
Marc D. Strang
Andrew Sussman
Mike Wetzer
Fostering Involvement

One of the key components of The Destiny Company’s vision is to create awareness surrounding the critical issues that face our nation and ultimately the world. We believe that awareness leads to personal involvement and active participation. Whether you are interested in a business relationship or a successful career your participation will help create a better future for all of us.

The many accomplishments we have achieved to date, both public and private, would not have been possible without the active participation and support of a wide variety of individuals, businesses, organizations, and governments.

A New Collaboration Model

Engaging the world’s smartest and most forward thinking companies, the Destiny USA platform consists of millions of people interacting in a consumer friendly designed environment. This is attractive to many of the world’s leading companies. These companies have unprecedented opportunities to increase revenue, achieve higher market value, benefit from the development of intellectual property, and build brand equity. We are working with forward-thinking companies in key industries such as design, construction, energy, logistics, security, technology, and workforce industries.
Design, Build, Operate Technology Convergence
September 2005

Project Lifecycle Management
From Design to Operations

The Destiny USA Case

“A successful construction industry is essential to us all...We know that it is not easy to sustain radical improvement in an industry as diverse as construction. But, we must do so to secure our future.”
Sir John Egan, Chairman of the Construction Task Force1

The Construction Industry is an Important Industry that Faces Significant Change

Throughout the world, construction spend continues at a rapid pace. In developed countries aging infrastructure is in desperate need of attention and in the developing world infrastructure investment is fueled by population and economic growth. Simultaneously the U.S. construction industry faces an aging work force, a decline in the students pursuing engineering degrees and the threat of a decline in the competitive position of US construction and engineering firms globally. In recent years, the construction engineering industry has seen the collapse of the financial health of several players and a severe tightening of credit capacity in the industry. This condition raises serious questions and risk for individual projects, such as Destiny USA, and for our country as a whole. This case details the approach one project is taking to mitigate the construction risk and to dramatically reduce the project’s life cycle costs.

In the United States alone, the construction engineering industry employs 10 million2 individuals and comprises approximately 4.6%3 of the gross domestic product. Though not widely recognized, this industry is consistently a major contributor to our national economy as well as the global economy.

1 Sir John Egan was the Chairman of the Construction Task Force that published the “Rethinking Construction” report commissioned by the Deputy Prime Minister, UK
2 Bureau of Labor Statistics
3 United States Bureau of Economic Analysis
**Destiny USA**

An Opportunity to Drive Profound Change

*Destiny USA is a very large design, build, operate project, the scale of which demands innovative thinking applied to each aspect of the lifecycle. This business case features the approach Destiny USA is taking toward the convergence of technology in the design, build and operational phases of the project’s development and suggests cross-industry collaboration that has the potential to yield benefits to the US economy as a whole.*

Destiny USA is an 800-acre waterfront resort featuring the world’s largest enclosed integrated structure. When it opens to the public, Destiny USA will be a secure and entertaining destination for the whole family. In its entirety however Destiny represents far more than an entertainment and retail venture. Destiny can be described as a conglomeration of goals, each individually significant, and when taken together, the attributes combine to create a sustainable entity, engineered to replenish itself and foster continuous innovation.

The focus of this case is Destiny USA (“DUSA” below). However, the additional pieces of the puzzle function as important contributors to the overall success of the Destiny entity and the fulfillment of the Project’s mission. That is 1) help reduce the United States’ dependency on imported oil, 2) transform and revitalize the regional economy, and 3) develop and invest in technologies that lead to improving our lives.
Destiny USA: The History and The Vision

The project’s vision emanates from its founder, Bob Congel. Mr. Congel has grown businesses where today he is the largest private regional mall developer in the US. Over the past 35 years Mr. Congel, together with his partners, has developed over 23 regional malls in the northeast, visited by 180 million consumers and generating sales of over $4.5 billion.

The vision of Destiny USA (“DUSA”) began 17 years ago when Bob Congel and Bruce Kenan of The Pyramid Companies realized that an environmentally polluted piece of property along the shores of Onondaga Lake and the New York State canal system in Syracuse, New York could be transformed into a successful super-regional shopping center. The result of that idea was the original Carousel Center, which proved so successful that a plan was put forward to expand it shortly after it opened.

As planning for the expansion evolved, it became clear that a greater opportunity was available, an opportunity to create a world class destination that would attract millions of visitors into the region annually. Destiny USA emerged, a lifestyle-focused resort destination with great cultural, entertainment, hospitality and retail amenities, including a large, enclosed, indoor park.

Four stories of restaurants, museums, hotels, stores, public spaces and activities are grouped into themed areas. Thousands of living (hotel) rooms will cater to the full spectrum of visitors, with a range of room rates, amenities, and accommodation levels.

Throughout the development phase of the project, Destiny USA sought the input of a variety of experts, consultants, and practitioners from many different fields. Millions of hours and nearly $200 million have been invested in the development of Destiny USA.

With the commercial feasibility established, the Destiny USA team could look to its larger goals: 1) help reduce the United States’ dependency on imported oil, 2) transform and revitalize the regional economy, and 3) develop new technologies that would assist people in living better lives. Figure 1 illustrates this vision that through DUSA - the place, the related housing and the technology research - will have a profound impact on the local and regional economy. The development of renewable energy to support the project and the commitment to the continuous development of new technologies will permeate the design, build, operate market globally.
To achieve the first goal, the decision was made to become the first commercial facility to operate 100% free from fossil fuels. Destiny USA is designed as a showcase for alternative energy sources and a stimulus for innovative technologies to free the U.S. from our addiction to oil.

The second goal, transforming the regional economy, will be achieved as an outcome of the jobs and businesses created by Destiny USA’s enormous scope, enabled through the collaboration of the public and private sectors.

The achievement of our third goal is also a product of synergies made possible by Destiny USA’s unprecedented scale. By attracting millions of diverse customers annually, Destiny USA will function not only as a resort destination, but simultaneously as a research “lab” – creating, testing, and monitoring new solutions to improve our daily lives. Many types of “real-world” technology, from construction simulation to solar panels and water treatment facilities to PDAs and recreation equipment, will be evaluated, researched and demonstrated at Destiny USA.

The insights gathered will be used, in partnership with other leading companies, to help foster innovation in areas such as construction, renewable energy, security and lifestyle technology. This will in turn attract new investment into the area and create a new level of jobs and opportunity. Educational and public sector partners will participate in the process and help leverage resources for public good. This commitment to research and development will be supported through the reinvestment of a substantial portion of the profits of Destiny USA.
Destiny USA: The Project

Located in the heart of New York State and easily accessible to 130 million residents throughout the northeast United States and Canada, this master-planned leisure development will be visited by more than 30 million guests annually. Destiny USA’s dining, shopping, entertainment, hospitality and recreation venues will be physically and virtually connected, providing guests with a matchless combination of experiences and convenience.

The first phase of the Project includes:

- 8 million square feet of mixed use space
- 12 Hotel Towers, totaling 12,000 Rooms
- A 30 acre indoor park covered by an architecturally significant glass roof
- 100% fueling through renewable energy
- Location next to major transportation corridors including three highways

Fig. 2 Renderings of the Full Build-Out
Designed to operate as a stand alone facility, the first stage will be integrated into future stages of Destiny USA as they are completed. Throughout the complex, technology will provide visitors seamless connectivity, while the most advanced security systems will create an environment of unprecedented safety. Non-stop retail, personal rapid transit, ease of check-in and advanced CRM personalization are just a few of the enhancements that will support the guest experience.

Policy Enables an Innovative Financial Model

New York State offers the best economic development programs in the country. The programs developed through the leadership of Governor Pataki, Majority Leader Bruno and Speaker Silver provide a framework to encourage significant private capital.

In most cases of economic development, the taxpayer’s money is committed to a developer who in turn promises to create jobs. Often the investment is speculative and in some cases the faith and credit of the government supports the project.

The model developed by Destiny USA, to the contrary, is a model of policy innovation. The model relies on programs developed by local, state and federal governments, but provides incentives only after the project has achieved specific performance measures such as creating new jobs, building milestones, and cleaning up brownfields. There is never a net taxpayer cost or risk involved. Innovation in public private collaboration is at the very core of the Project as is an earnest sense of responsibility to ensure that the Project serves as a catalyst for public awareness – we like to think that Destiny is “Life as it should be.”
Design, Build Phase

Modeling and Simulation-Based Construction

We aim for the design build phase of the Project to be as innovative as the visitor experience. Proven digital technologies used worldwide in aerospace, auto manufacturing and industrialized housing will transform Destiny USA’s design, build process. The Project is motivated to maximize efficiency and innovation by applying technologies, using competition and creating strategic alliances in order to achieve these objectives.

The development of a significant construction project today presents both challenges and opportunities. Destiny USA seeks to work collaboratively with leaders across industry, financial institutions and academia to develop innovative approaches to these challenges and allow the Project to lead change in the design, build sector.

The Challenges Today in Construction

1. Limited capacity for Lump Sum Turnkey (LSTK) or Guaranteed Maximum price (GMAX) risk assumption on large scale projects
   - In both LSTK, where the contractor is offered an agreed lump sum payment, or GMAX, which guarantees a not-to exceed project cost but with cost savings being shared between the two parties. The larger the project, the greater the risk borne, and consequently contractors, many of which are thinly capitalized, are unwilling or unable to enter into large scale LSTK or GMAX contracts.

2. Cost and Schedule certainty remains important to capital providers
   - Just as contractors are unwilling to accept LSTK and GMAX contracts on large scale projects, similarly owners and capital providers will not or cannot bear the cost and schedule uncertainty themselves, and consequently large scale projects become unattainable without Government help.

3. Trades and workforce shortages compounded by an engineering population that is not replacing itself
   - In 1987 the number of students graduating with degrees in engineering was 78,000, whereas by 2000 it had dropped to 62,700
   - “One of the most pressing challenges for the building industry is the shortage of skilled workers”

Bobby Rayburn, President, National Association of Home Builders
4. Lack of coordination among stakeholders between disciplines and life cycle stages (owners, designers, builders, operators)
   - The construction industry relies upon a broad and variable integration of skill-sets. In essence, the industry can be broken down into the services necessary for the design, engineering, construction and maintenance of physical infrastructure investment projects.
   - Several of these skill-sets are knowledge-intensive, requiring continuous, efficient and detailed communication and sharing of technical information. Fig. 3 below shows the impact that project communication has on overall project efficiency. The overall lack of interoperability is estimated to cost the design, build industry $7bn annually\(^5\).
   - Because of this lifecycle impact, together with the lack of integration of new technologies to improve communication and efficiency, productivity in the industry has lagged that of other sectors. Fig. 4 shows this in graphical form over a decade.

Fig 3 Impact of Communication on Project Efficiency

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\(^4\) National Society of Professional Engineers
\(^5\) NIST (National Institute of Science and Technology)
Destiny Approach

The challenges in the construction industry represent opportunities for a project with the scale and scope of Destiny. Further, today the technology is available and will serve to stimulate change. The design build phase of Destiny USA will lead to greater cost savings, increased collaboration, reduced risk, and lower environmental impact than previous development projects.

3D Solid modeling

Many of the above benefits will be a result of the use of a technology called 3D solid modeling. This has been used in a number of other industries, such as shipbuilding and aerospace, to reduce the time and cost to construct. Destiny, through collaboration with leading players in the technology and design sector have integrated the technology into the design-build plans. The technology allows Destiny to maximize off-site pre-fabrication and minimize on-site construction. The benefits to the 3D solid modeling are the following:

1. Increased communication amongst stakeholders in the project at an earlier stage in the project
   - By creating a 3D model of the construction site, potential conflicts between the different trades can be identified prior to actual construction.
A visual language is formulated that can be readily understood by all.

Information compatibility can permit global integration of teams and support leading ultimately to lowest possible lifecycle cost. These techniques force the design of the facility, its construction process and operation considerations to be vetted before the design is released thereby eliminating the change orders that plague projects once they are underway. Not only is the cost understood and programmed at the right phase of the project, but the quality of the outcome is vastly enhanced through reduced completion and performance/feature capability risk. This technique requires a slight increase in upfront cost and the amount of time spent during the development phase but pays itself back in orders of magnitude on the job site and over the 30+ years of facility operation.

2. Reduction in trade changes
   - As a result of mapping the work of all parties into a 3D model the design is more robust and less likely to lead to trade changes.
   - Enterprise Resource Planning (ERP) Linked to an Integrated Master Program Schedule and the 3D Digital Design (to include the actual construction/assembly process) allows for a new level of real-time performance knowledge. Sometimes referred to as “5D”, this ability connects schedule and specific costs in a manner that allows for forward and backward visibility to a given change. Thus, if an item has been installed late or there is a part shortage, the impact on the entire design and the construction process, the associated cost, impact on labor, etc. all become visible to the team in real time. Aside from creating a new sense of integrity among all parties, it also provides leadership the tools to make intelligent choices to reduce risks.

3. Reduction in waste materials
   - Through modeling raw materials can be ordered to more accurately match requirements
   - Less material is wasted as a result of design flaws
4. Reduction in risk
   - The modeling of the many variables in a construction project reduces the uncertainty involved in a construction project. Therefore the risk of overruns are reduced.
   - This reduction in risk allows for the owner operator to move away from tying a contractor into LSTK and GMAX contracts and therefore leading to closer alignment of interests and greater collaboration between the owner operator and the contractor.
   - This alignment of interests enables increased sizes of projects to be completed without Government support.
   - The reduction in risk also opens up new forms of financing arrangements since other lenders are brought into the frame.
   - The reduction in risk and added predictability in cost and schedule should reduce the risk of draws on performance bonds, thereby lowering the cost of bonding and increasing the accessibility of performance bonds to a wider diversity of contractors.
Operate Phase

Owner Operated Approach Presents Opportunities

Destiny USA will own all of the dining, entertainment, retail and hospitality venues, which will be branded and operated by third parties. This enables Destiny to innovate in operations and in technology in order to increase efficiency and ensure a better customer experience. There are five main areas where Destiny will differ in the way it operates compared to traditional multi-use projects:

- **Retail Leases** are being sacrificed in favor of a single owner model, where Destiny will own and operate the retail space and make the sale to the customer using its own workforce. A proportion of the profits are then given back to the retailer. Such a model will allow a seamless consumer experience, enable a single technology platform, and provide a more diverse customer offering as a result of the reduced upfront capital cost for the retailer.

- **Technology** is incorporated throughout the operation in order to improve the customer experience. The 3-D solid modeling technology allows Destiny to economically overhaul the buildings to provide regularly refreshed consumer experiences. Once operational, Destiny USA will have a common technology platform to connect with consumers, suppliers, and operators alike. The key consumer interface will be a handheld computer that will provide information on all products and services. The combination of technologies allows for the redefining of the entire retail experience, with such novelties as non-stop shopping, the ability to buy anything you see, and having products shipped to your room to be tested at your own leisure.

- **Workers** are being motivated through a combination of training, rotation and all-in compensation and benefits. Each of the approximate 15,000 workers at Destiny USA will be trained to work in a number of different roles across the resort, generating a highly-skilled and flexible workforce. This, together with a pay scale at the top end of the industry, will create a happy and motivated pool of talent.

- **Energy** will come entirely from renewable sources. A portfolio of generation resources including solar, wind, and tri-gen will provide all the power needed at the resort. Construction and maintenance equipment will be powered using bio-diesel.
• Security has been integrated into the design plans from the outset as opposed to being added on at the end of the roll-out as is typical in traditional projects. Security will be an asset to the guest experience and a living example for destinations with visitor concentration.

The following 3D computer images represent different aspects of the integrated design and build process.
Destiny USA Workforce Program

Destiny USA must have a unique workforce to create the customer experience that is a core component of the business model. The Destiny USA customer experience will lead the attraction of more visitors and will also be the primary reason that they will spend more money while visiting.

The Destiny USA model will:

• Be attractive to employees that are committed to the success of Destiny USA. They will have capabilities and attributes that are beyond that currently found in the various industry groups.

• Minimize unplanned turnover.

• Create a flexible resource of cross-trained employees that can be deployed on a just-in-time basis as needed to meet the business requirements of Destiny USA.

• Deliver a consistent and unparalleled level of service to our customers.

• Allow for the selection of employees who have the desire and instinct to provide a new level of service to customers. We will provide them with the recognition, training and tools to make this service the best in the industry.

The goal is for our workforce to be more talented and committed than others in our industries. Accordingly, we will expect better results from our workforce than others. Our high performance work teams will consistently deliver service and productivity that is well beyond the current levels in the construction, retailing and hospitality industries.

Challenges in the construction industry

Within the United States the construction industry is a $1 trillion industry; globally, it exceeds $3 trillion. Inefficiencies and negative growth in productivity result in significant annual economic loss. While there are hurdles that must be overcome, Destiny USA sees this as an opportunity to demonstrate a more effective method that will reduce cost and scheduling overruns and initiate a shift in approach to the construction industry.

A few statistics follow:

• Decreasing Productivity. From 1964 to 2003, 15% down versus 120% increase for all non-farm industries;

• Up to 30% of construction is rework; labor is used at only 40-60% of potential efficiency;
Challenges in the service industry

The service (retail, food and beverage and hospitality) industry tends to be dominated by low wage, hourly positions with relatively poor benefits. As a result, these positions tend to attract less skilled workers with very limited training and relatively low productivity who are highly prone to turnover.

- 71% believe management doesn’t care about advancing employee skills
- 33% of all workers feel they have reached a dead end at their jobs
- Only 20% feel very passionate about their jobs
- More than 85% do not feel energized by their work
- Only 31% (strongly or moderately) believe that their employer inspires the best in them
- Employee theft amounts to 48.5% of company shrinkage / theft
- Companies report an unplanned attrition rate of 53%, and the cost to be 29% of wages
- Idle employees due to buffers account for 10% overstaffing

Destiny USA’s Workforce Vision

Destiny USA has adopted a strategic approach to the design of the workforce model. Aside from steering away from current practices which have proven unsuccessful in producing dynamic employees, Destiny USA has redefined the development process focusing on three key elements:

- Vision
- Culture
- Lifecycle

that allow new talent to continually create the fundamental building blocks that lead to highly successful and productive people.

“We will be America’s most desirable place to work
- the ultimate employee experience”

This experience requires a workforce model that is an evolution of the current models.
Destiny USA’s Culture

The culture of Destiny USA will be guiding principle from which the workforce will operate. That culture is one in which entrepreneurialism is encouraged, stewardship is expected, creativity is required, and accountability is rewarded. The result is a workforce that is adaptable, innovative, flexible and guest-centric.

The Strategy: Workforce Lifecycle

- Destiny USA will be synonymous with “a place where employees can realize their aspirations and intentions”. The follow graphic depicts the employee lifecycle.

![Workforce Lifecycle Diagram]

- Exploring Talent – Destiny USA explores new and potential candidates through national and international marketing.
- Acquiring Talent – Candidate is selected for position based on desire and intuition as opposed to prior experience. Onboarding activities and job training is provided.
- Providing Opportunity – New employee is provided with both a performance manager to ensure job success and a career coach to encourage professional growth.
- Managing the Employee Experience – Destiny USA employee has access to world-class human resource products and services; i.e. compensation, benefits, etc. providing a positive employee support system.
- Growing Capabilities – Destiny USA employee is consistently provided with opportunities to grow capabilities and skills through new challenges and experiences.
• Replenish or Welcoming New Opportunities – Employee is encouraged to explore new positions within Destiny USA or seek out new opportunities beyond the Destiny USA community.

Expectations of our workforce

One of the key aspects of the Destiny USA talent program is the accountability of each employee and the productivity that they are measured against. Many flaws exist within the traditional model where on average; one manager is accountable for to many employees, thus proving that with today's managerial overload it is difficult for one person to effectively measure an employee against their pre-defined objectives. In the Destiny USA model, employees are evaluated by everyone they interact with in the Destiny USA facility.

The 360° evaluation takes into account their peers, supervisors, and more importantly the customer feedback that is provided on a per interaction basis. Aside from the employee being evaluated on their aptitude and instinct, the larger part of their assessment will be their ability to provide the visitor with exceptional service. This complete selection of evaluations will allow Destiny USA to effectively track employee progress and growth. The evaluation process will sustain a fluid exchange of talent and learning opportunities that will facilitate an employee’s career development and consistently improve the guest experience.

We must have a workforce that will provide customer experiences that are significantly superior to anything currently available. We fully expect to deliver the gold standard of service to our customers.

This will occur when we:

• Attract people with great attitudes and attributes
• Compensate people appropriately to ensure we get only the best of the best
• Provide them with the training and tools necessary to support the ultimate customer experience
In return, we have great expectations and demands of our employees. Among other expectations:

- We will create performance standards that only exceptional people can meet
- We will expect a high energy and positive work culture
- Employees will be expected to constantly learn new trades and expand their skills
- Our work teams will be self-directed and will replace the people who are unable or unwilling to meet Destiny USA’s standards
- Employees will be evaluated by their superiors, their subordinates and their peers; this complete assessment will provide us with the input necessary to effectively track employee development in addition to providing valuable information that will improve the guest experience
- Our employees will solve problems and be accountable for meaningful and challenging results
- We demand that our employees exhibit professional behavior at all times with customers, vendors, partners and co-workers.

**Workforce Blueprint – Key Components**

Gather Talent -

- *Define talent needs and profiles*: needs will be defined not by title but by a definition of talents, attitudes, and attributes, including the passion consistent with Destiny USA vision.
- *Communicate the opportunities*: Destiny USA’s message to potential talent will be focused on collaborating to realize life, and not just career aspirations, and will be experiential and reflective of the guest experience
- *Discover talent*: Destiny USA will utilize a wide range of sources to seek out people from multiple and varied pools of talent; including local & regional community, schools & universities, multi cultural organizations, alumni, and employee referrals
- *Discern mutual opportunities: the talent discovery experience is designed as a mutual learning opportunity not a “testing ground”*
- *Select talent and celebrate*: Destiny USA celebrates each new hire and welcomes those who are significant to him/her into the Destiny USA experience
- *Introduce, integrate, and involve*: Destiny USA talent and learning teams partner to integrate the new employee into the organization and their specific role
Guide the Employee Experience -

- **Know talent capabilities:** a centralized database will maintain an inventory of existing skills, knowledge and attributes in order to manage the supply and demand of skills

- **Support with enabling HR policies and systems:** employee and labor relations programs support Destiny USA’s need for a high performance, flexible and innovative workforce

- **Enable performance of employees:** a values-based performance management system that reflects the vision and beliefs of the Destiny USA organization will drive performance goals and will be supported by an organization structure that will facilitate the fluid exchange of talent and learning opportunities

- **Provide rewards and benefits:** a total compensation program will encourage value-based behaviors and reward employees for building and renewing their skill sets, including non-financial benefits and on-site amenities which will instill a sense of loyalty and community

- **Manage evolving talent needs:** balancing the demands of Destiny USA business partners with employee aspirations and skills are core to employee development

Grow Capabilities -

- **Understand employee aspirations:** growth areas based on individual capability and desire

- **Assess employee talents:** a competency model drives the career growth needs of the Destiny USA Workforce

- **Share organizational knowledge:** learning opportunities allow the workforce to advance within their current job areas, within the Destiny USA community, and beyond the Destiny USA experience

- **Create learning services:** available, state-of-the-art technology will be utilized in every aspect of learning design, development and delivery

- **Guide employee growth:** learning paths for employees will allow for continued career and life growth and will provide flexibility to adapt to changes in personal goals and interests

- **Facilitate next opportunity:** learning opportunities for Destiny USA employees will position them or continued success within and outside of the Destiny USA organization
Benefits to the Destiny USA Workforce Approach

The table below summarizes core elements of the traditional method as compared to the Destiny approach to the workforce and resulting benefits of the approach.

<table>
<thead>
<tr>
<th>Traditional Method</th>
<th>Destiny Approach</th>
<th>Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single recruitment program</td>
<td>National recruitment program</td>
<td>Higher quality employees; diversity of cultures; knowledge sharing; speed; ability to fill openings</td>
</tr>
<tr>
<td>Job specialization</td>
<td>Diverse workforce</td>
<td>Flexibility of staffing; deeper overall employee knowledge base</td>
</tr>
<tr>
<td>Combination of internal and 3rd party employees</td>
<td>Guest focused positions - Destiny employees</td>
<td>Increased service delivery and revenues through control of training and performance; employees motivated to “sell” Destiny</td>
</tr>
<tr>
<td>Resume hiring</td>
<td>Attitude and Aptitude Recruiting</td>
<td>Strong culture built on attitudes and attributes of employees; willingness to learn and grow</td>
</tr>
<tr>
<td>Traditional employee onboarding</td>
<td>Front-loaded employee onboarding</td>
<td>Reduces learning curve; provides full integration; reduces costs due to employee issues: employee relations, workers compensation, sick time, underperformance</td>
</tr>
<tr>
<td>Varying pay scales</td>
<td>Common (top tier) pay scale</td>
<td>Attracts a higher caliber of employee; provides ease of redeployment based on needs; reduces cost of recruitment and employee distractions due to financial concerns</td>
</tr>
<tr>
<td>Step increases/ yearly bonus program</td>
<td>Just-in-time incentives - pay based on performance (quality and speed)</td>
<td>Immediate recognition of high quality performance; drive to continually raise the level of performance</td>
</tr>
<tr>
<td>Traditional benefits program</td>
<td>Innovative/high-end benefits program</td>
<td>Attracts high quality applicants; creates PR opportunities; less employee personal distractions</td>
</tr>
<tr>
<td>Minimal technology</td>
<td>Employees empowered by technology</td>
<td>Efficiency and consistency of service delivery; increased sales; better information about guests; reduction of administrative efforts (paperless workplace)</td>
</tr>
<tr>
<td>Job assignment</td>
<td>Pool of interchangeable talent</td>
<td>Overall staffing headcounts are lower; alignment of capabilities with business needs on a real time basis</td>
</tr>
<tr>
<td>HR training curriculum</td>
<td>Destiny University</td>
<td>Focus on learning based on core values; promotes life-long learning; public/guest outreach</td>
</tr>
</tbody>
</table>
Analysis of Visitation Demand for Destiny USA

About Global Insight:

- Premier **economic analysis** and consulting organization created by the integration of DRI and WEFA
- Provides the most **comprehensive** coverage of countries, regions and industries available from any single source
- Brings a **unique analytical framework** and consistent set of assumptions to diverse capabilities and products
- Provides a broad range of consulting capabilities covering:
  - Business Planning
  - Risk Assessment
  - Policy Evaluation
  - Tourism Economic Impact
    - Tourism Market Analysis
    - Investment Strategy
    - Infrastructure Analysis
    - Economic Development
- Over 3,000 clients in industry, finance and government
- Over 500 employees and 30 international offices

Unique Global Insight Qualifications

Our visitor projections are based on Global Insight’s industry standard economic and demographic indicators of travel demand

- **Globally consistent economic and demographic forecasts for every US county and over 200 countries**
- **These forecasts are considered the industry standard (used by tourism offices globally, UPS, FedEx, Boeing, Airbus, U.S. DOT, over 30 state governments).**

Global Insight has been developing predictive econometric models for over 40 years.

- **Specific modeling strengths in forecasting travel demand**
- **Official travel forecasts for the Travel Industry Association of America (TIAA) and the Commerce Department’s Office of Travel & Tourism Industries (OTTI)**
Industry Understanding

- Travel and Tourism Service continually monitors and forecasts global travel for 163 countries.
- Numerous destination marketing organizations look to Global Insight for market analysis and forecasts.
- Global Insight conducts feasibility analysis for various traveler destination projects around the world.

Sample Tourism Market Demand Clients

- Travel Industry Association of America (TIA)
- US Office of Travel & Tourism Industries
- World Travel & Tourism Industries
- NYC and Company
- Hong Kong Tourist Board
- Ontario Tourism Commission
- Canadian Tourism Commission
- Singapore Tourism Board
- British Tourist Authority
- Dubai Tourism and Commerce Marketing
- Various Resort Developers
- Theme Parks
- American Express
- Orlando CVB
- New Jersey Office of Travel & Tourism
- Virginia Tourism Corporation

London Times 2002 Forecaster’s Survey

- Poll of 43 forecasters
- Accuracy rankings
  - Global Insight 4th
  - OECD 7th
  - EIU 17th
  - IMF 26th
  - Oxford 33rd

- Earlier 10-year survey showed Global Insight as #1
Objective of This Analysis

- Global Insight’s mandate is to provide a holistic analysis of potential visitation to Destiny USA for each relevant market segment.
- The approach is based on critical review of previous analysis (Consultecon, AKRF, ERA) and additional research to validate, refine and supplement results.
- The product of this analysis is unique projections of visitation to Destiny USA for each market segment utilizing the strengths of each body of research. The process has been guided by an overarching principle of conservatism.
- The feasibility analysis is based on a multi-layered approach, taking into account six broad “building blocks” for visitation to Destiny USA. The various building blocks represent diverse factors influencing travel to Destiny USA.
- These building blocks form a broad structure of support- both qualitative and quantitative- for the visitation expectations for Destiny USA.

Building Block One: Location Advantages

Location Advantages

1. Population density and wealth distribution of regional feeder markets is among highest in the country.
2. Educational assets in the region provide a well-educated market.
3. Transportation infrastructure exists for both easy road access and air service capacity.
4. Proximity to NYC, Toronto and Montreal provides major opportunity to access international markets through these gateways.
5. Diverse tourism attractions in the region already provide draw into upstate New York for Destiny USA to leverage.
6. No competition in the Northeast region in the “super” destination category (e.g. Orlando, Vegas)
7. Economic incentives offer strong financial model.

Location Advantages- Demographics

When compared to 6 major Primary Trade Areas (425 mile radius) the Syracuse Primary Trade Area:
- has the second largest total population;
- shows the highest population density;
- has the highest per capita income;
- has the second highest population between 30 and 39 years;
Destiny USA’s location ranked in the 2nd best tier based on a weighted composite score.

Score includes the following variables:
- Population density;
- Per capita income;
- Educational attainment;
- Age;
- Population growth

It outscores Orlando, Las Vegas, Los Angeles and other established traveler destinations.

Location Advantages - Transportation

Syracuse is located at the intersection of two major interstate highways, and is better equipped with significant qualitative factors than most locations in the higher scoring area. Syracuse’s infrastructure was planned and designed for higher traffic volumes. This will allow Syracuse to accommodate an increase in traffic without expanding its current infrastructure network.

Location Advantages - Economic Incentives

A unique combination of economic development incentives are making the construction of Destiny USA possible. Incentives on property tax and a credit for the project’s environmental rehabilitation plan will provide the necessary confidence for investors. The Destiny USA project warrants such incentives given its size and location.

A program which channels a portion of the incremental tax proceeds toward a tourism marketing fund for Destiny USA and upstate New York provide strong confidence that the visitation required for profitability will be achieved.

- These incentives translate into lower risk for the investor and a higher value proposition for the visitor.
Building Block Two: Portfolio of Attractions

*Portfolio of Attractions - Diversity*

- Destiny USA will provide an incredibly broad and diverse array of attractions and activities to the visitor.
- Spans entertainment, shopping, education, outdoor recreation, adventure sports, children’s activities.
- This diversity will broaden the market for Destiny USA in a number of ways:
  1. Multi-generational appeal
  2. Attractive to various leisure activity segments
  3. Repeat visitation (no “boredom factor”)
  4. Extended average length of stay

*Portfolio of Attractions - Uniqueness*

- Destiny USA will offer attractions that will be unique - both individually and in totality - generating demand for Destiny USA as a “must see” attraction.
- The experiential component of Destiny USA will also be unique
- Strong competitive advantage in attracting visitors.
- Unique features will include:
  1. Technology use and exposition
  2. “Green” energy use (benefits from both curiosity of traveler and desire to feel good about experience)
  3. Dome and other man-made “wonders”
  4. Scale of attractions

*Portfolio of Attractions - Integration*

- The integration of these diverse attractions under one roof will be unique in and of itself – creating additional draw for visitors.
- The concentration and critical mass of these attractions will have a magnet effect. This total integration of services, attractions and activities will provide the following benefits:
  1. Increase average length of stay
  2. Maximizes revenue to Destiny USA
  3. Seamless experience (convenience) for visitor through integrated systems and minimal hassles of travel time and expense
Portfolio of Advantages- Product Renewal

• Destiny USA business model provides for substantial funding for updating and renewing various attractions.
• The result will be a destination that is dynamic with new attractions each time a visitor comes.
• The effect will be a strong base of repeat visitors.
• Provides a competitive advantage over other destinations.

Portfolio of Advantages- Demand Creation

• In addition to penetrating the existing market for leisure travel, Destiny USA will create additional demand in the leisure travel market.
• This happens for a destination as a function of its uniqueness in the region. In addition to its particular distinctive offerings, Destiny USA will be the only destination in the northeast (much less the world) to offer this breadth and scale of activities and attractions.
• Dubai has realized this in the Middle East. Atlantis has realized this in the Caribbean. These destinations offer attractions that are unique in their regions, offer high quality and are of significant scale.

Portfolio of Attractions- Market Alignment

• Destiny USA is offering activities and attractions for the leisure travel market that directly meet the preferences of the traveler.
• Destiny USA will offer seven of the top nine activities of leisure travelers in the region.

Portfolio of Attractions- Demand for Similar Attractions

• AKRF analysis categorized Destiny USA content into attraction modules
• Compiled visitation data for 50 - 60 key destinations across these categories
• Visitation estimates were then based on the weighted visitation for these various attractions
• Produced demand estimate of 41 million visitors
Building Block Three: Marketing Strategy

**Marketing Strategy**

- Destiny USA has an extensive and broad marketing strategy, enabling it to generate demand quickly from a diverse set of markets.
- Funding for marketing will exceed $200 million annually as a function of private contribution along with a portion of New York State sales taxes generated onsite which is designated towards marketing of Destiny USA and the tourism region of upstate New York.

**Marketing Strategy**

Marketing strategy will have ten distinct “arms” to reach out to the traveler marketplace. As a result, the potential market for Destiny USA will be reached extensively and relatively quickly.

1. International Tourism Center – On-site center for building greater New York travel itineraries.
2. Industry Partnerships – Corporate partners will engage in cross-marketing of Destiny USA
3. Destination Marketing Organization (DMO) Partnerships – Destiny USA will link certain marketing programs with NYC & Company and I Love New York campaigns
4. International Tour Operator outreach – Scale of Destiny USA will enable strong partnerships with the large consolidated tour operators in Europe and Asia
5. Domestic Travel Agencies – Pre-opening marketing will include strong outreach to domestic travel agents
6. Online marketing programs – will exist as a marketing engine as potential visitors first visit the site
7. Trade Shows – Large travel trade shows will enable Destiny USA to sell packages and forge relationships with key vacation “sellers”
8. Earned Media – The uniqueness and scale of Destiny will generate incalculable media coverage in virtually every category
9. Repeat Visitation (Advocates)– Special packages for repeat visitors who provide word of mouth marketing
10. Direct Advertising – The budget size will allow for substantial campaigns in major media

**Marketing Strategy**

- ERA analysis was based on marketing spend (public and private) for US states/major attractions
- Regression analysis correlated spending with visitation
- Based on a conservative estimate of $100 million in marketing spend, the model shows nearly 25 million overnight visitors.
Building Block Four: Destination Partnerships

*Area Destination Partnerships*

- The upstate NY Finger Lakes region currently attracts over 20 million visitors a year.
- Niagara Falls currently attracts nearly 15 million visitors (1.5 hours from Destiny USA).
- Destiny USA will be positioned as a hub for all other visitor attractions in the region.
- Destiny USA will benefit from this current demand for regional attractions due to its proximity. Long haul visitors to the region (including those to New York City) will be particularly attracted to Destiny USA as part of their itinerary.
- Itineraries for all of the region’s attractions will be built through the International Tourism Center as well as Destiny USA’s online booking system. This integration of attractions will increase demand for travel to the entire region with Destiny USA as an integral part of the destination.

Building Block Five: Value to Traveler

*Value Proposition to the Traveler*

- The Destiny USA value for money proposition to the visitor will be compelling for both first time and repeat visitation.
- Perceived value has been a fundamental driver of key growth segments of the travel industry over the past decade (cruise, time share, developing Caribbean destinations).
- Destiny USA will offer a diverse range of price points for different market segments.

*Value Proposition to the Traveler*

- Membership programs and other incentives will continue to promote the value of the Destiny USA vacation.
- The integration of attractions and ease with which the visitor can experience diverse parts of Destiny USA will produce a strong sense of value to the consumer.
- Destiny USA will offer multiple levels of “value” to the visitor.
  - Unique experiences
  - World-class customer service
  - Supporting positive ideals of renewable energy
  - Experiencing technology innovation
  - High quality entertainment, retail, restaurants and activities
Building Block Six: Visitation Analysis

**Visitation Analysis**

A unique approach to previous studies
- Global Insight analysis starts with the actual market size for overnight, leisure trips, excluding those trips visiting friends and relatives for each distinct origin market.
- Penetration analysis weights markets more heavily based on current travel patterns to the region and proximity.
- Day trip market is assumed to be more geographically narrow.
- International markets are assessed separately based on the number of leisure trips taken to NY state and to the rest of the country.
- Canadian travel to the US is assessed individually by province.

**Visitor Comparison of Different Approaches**

- If focusing on effects of comparable marketing spend (ERA)
  54 million total visitors (25 mn overnight, 29 mn day)
- If focusing on the draw of similar attractions (AKRF)
  41 million total visitors (no day/overnight breakout)
- If focusing on the proximity of population centers (Consultecon)
  35 million total visitors (12 mn overnight, 23 mn day)
- Taking a broad approach using proximity, attractions, and marketing with a focus on the current leisure travel market (Global Insight)

**Visitation Analysis**

- The Global Insight visitation analysis takes the previous five building blocks as inputs into a model for each distinct geographic market.
- Geographic segments of the analysis include:
  - Overseas (+ Mexico) by major country and region
  - Canada regional (Ontario and Quebec)
  - Canada long haul (rest of country)
  - US local (surrounding day trip counties of Steuben, Chemung, Tioga, Broome, Chenango, Madison, Oneida, Lewis, Jefferson, Oswego, Onondaga, Cortland, Tompkins, Cayuga, Wayne, Seneca, Schuyler, Yates, and Ontario)
  - US northeast region (potential drive market states of NY, PA, NJ, MA, CT, RI, NH, VT, ME)
  - US extended region (short flight markets of OH, MI, IN, IL, WI, DE, WV, VA, MD, DC)
  - US long haul markets (rest of country)
Traveler type segments of the analysis include:
  - Purpose (Leisure / Business / Convention)
  - Activity preferences (shopping, water sports, entertainment, cultural, educational, ...)

Visitation Analysis

Visitation Results Summary

- Global Insight’s analysis yields significantly more overnight visitors than day visitors, projecting more than 60,000,000 visitor day trips.
- The location of Destiny USA will avail it to a substantial drive market. However, the majority of these visitors are outside of a two hour range, making long weekends more realistic than day trips.
- Given Destiny USA’s global distinctiveness, proximity to NYC, and targeted marketing programs, significant upside exists for international markets.

Visitation Results- Domestic and Canada

Domestic Market Person Trips to DestiNY USA

<table>
<thead>
<tr>
<th>Origin Market</th>
<th>Day Trips</th>
<th>Overnight Trips</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Onondaga</td>
<td>1,369,500</td>
<td>9,130</td>
<td>1,378,630</td>
</tr>
<tr>
<td>US Local (19 surrounding counties)</td>
<td>2,236,338</td>
<td>577,266</td>
<td>2,813,604</td>
</tr>
<tr>
<td>US Region (overnight)</td>
<td>-</td>
<td>6,553,063</td>
<td>6,553,063</td>
</tr>
<tr>
<td>US Extended Region (overnight)</td>
<td>-</td>
<td>4,743,446</td>
<td>4,743,446</td>
</tr>
<tr>
<td>US Long Haul (overnight)</td>
<td>-</td>
<td>3,537,672</td>
<td>3,537,672</td>
</tr>
<tr>
<td>Business Travel (all markets)</td>
<td>521,318</td>
<td>412,302</td>
<td>933,620</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>4,127,155</td>
<td>15,832,880</td>
<td>19,960,035</td>
</tr>
</tbody>
</table>

Canadian Market Person Trips to DestiNY USA

<table>
<thead>
<tr>
<th>Origin Market</th>
<th>Day Trips</th>
<th>Overnight Trips</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional (Ontario, Quebec)</td>
<td>674,300</td>
<td>822,630</td>
<td>1,496,930</td>
</tr>
<tr>
<td>Long Haul (All Other)</td>
<td>7,220</td>
<td>54,814</td>
<td>62,034</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>681,520</td>
<td>877,444</td>
<td>1,558,964</td>
</tr>
</tbody>
</table>
Visitation Results- Overseas Markets

**Overseas (+Mexico) Person Trips to DestiNY USA**

<table>
<thead>
<tr>
<th>Origin Market</th>
<th>Market Penetration</th>
<th>Net New Trips</th>
<th>Overseas via Canada</th>
<th>Total Trips</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Europe</td>
<td>832,650</td>
<td>411,130</td>
<td>203,110</td>
<td>1,446,890</td>
</tr>
<tr>
<td>Germany</td>
<td>91,656</td>
<td>75,900</td>
<td>30,471</td>
<td>198,028</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>408,423</td>
<td>103,430</td>
<td>89,019</td>
<td>600,873</td>
</tr>
<tr>
<td>Other Europe</td>
<td>332,570</td>
<td>231,799</td>
<td>83,620</td>
<td>647,990</td>
</tr>
<tr>
<td>Total Asia &amp; Oceania</td>
<td>335,705</td>
<td>183,941</td>
<td>131,244</td>
<td>650,890</td>
</tr>
<tr>
<td>Japan</td>
<td>157,037</td>
<td>78,179</td>
<td>4,513</td>
<td>239,729</td>
</tr>
<tr>
<td>Other Asia &amp; Oceania</td>
<td>178,668</td>
<td>105,762</td>
<td>126,731</td>
<td>411,161</td>
</tr>
<tr>
<td>Latin America &amp; Caribbean</td>
<td>174,718</td>
<td>41,109</td>
<td>6,699</td>
<td>222,526</td>
</tr>
<tr>
<td>Mexico</td>
<td>367,419</td>
<td>14,306</td>
<td>16,448</td>
<td>398,173</td>
</tr>
</tbody>
</table>

- Market Penetration is based on the number of current trips (primarily those to New York) that will include or be converted to a trip to Destiny USA.
- Net New Visits are those trips to the United States added on account of Destiny USA’s draw through its international marketing programs.
- Overseas via Canada are those overseas trips to Ontario and Quebec that incorporate a visit to Destiny USA.

Visitation in Perspective

- Destiny USA will represent 1.6% of leisure-overnight travel in US. Historically, this approximates a single year of average growth in the market.
- Upstate New York currently already hosts 8 million overnight trips and an additional 11 million day trips.
- International visits to the US are expected to increase by 10 million over the next five years without any substantial new developments. Destiny USA will accentuate this growth.
The Destiny USA Workforce Advantage

An Executive Summary of the Financial Implications of Destiny USA’s Talent Program

Watson Wyatt is a global consulting firm focused on human capital and financial management. We specialize in three areas: human capital strategies, employee benefits and technology solutions.

We combine human capital and financial expertise to deliver business solutions that drive shareholder value. Our consulting is grounded in the most extensive research in the business. This translates into unique perspectives and forward-thinking solutions.

Watson Wyatt has more than 6,000 associates in 30 countries. Corporate offices are Washington, D.C., USA.

Destiny USA’s workforce programs contain many innovative elements that collectively create a unique workforce model that is dramatically different from anything in the market today. These programs are supportive of Destiny USA’s goal to recruit and maintain the highest caliber of workforce possible. The programs also address the challenges found in creating a better workforce solution especially in the industries of construction, hospitality, retail and other service areas.

The program will lead to significant increases in employee productivity (measured by reduced costs per unit of sales or lower staffing needs to provide the same service) and higher revenues due to increased customer satisfaction which will allow Destiny USA to offer higher compensation elements in recognition of the value received. This summary highlights the methodology employed and the data sources used to quantify these effects.
The unique aspects of Destiny USA’s talent program entail a system of workforce practices including the following key elements:

- Corporate values inclusive of a desire to “give back” and a spirit of nationalism
- Clear vision and supporting mission
- Self-directed flexible work teams from the build phase through operations
- Alternative staffing models
- Use of innovative technology to support the workforce
- A unified workforce model creating more opportunity for career development
- Exceptional compensation and benefits
- Emphasis on lifelong health and productivity
- Ongoing career placement program outside Destiny USA

These elements reinforce the development of a workforce which is committed, highly satisfied, and productive. These workforce characteristics will have the following three primary effects:

- Revenue increases - caused by additional and repeat visitors as well as referrals due to better guest experiences, greater customer satisfaction and consumer loyalty.
- Watson Wyatt research indicates a strong relation (depicted in the model below) between effective workforce programs and better customer experience through employee attitudes and performance.

Our analysis of these factors has focused on developing estimates of the expected magnitudes of each of these elements based on the best available statistics and research for traditional workforce models.

- Cost reductions through increased employee productivity and improved predictability of workforce performance generated by:
  - Allowing Destiny USA to attract and retain a higher caliber workforce attracted and motivated by Destiny USA’s unique values and vision, the opportunity for a better future as a Destiny USA alum and higher compensation potential.
• Greater employee effectiveness as Destiny USA creates more highly committed employees with a clear line of sight on how their job impacts Destiny’s performance, their own life and the resources, technology, training and decision-making ability necessary to use their instincts to provide superior service and increased productivity and reduce shrink.

• Greater employee efficiency enabled through flexible scheduling and job sharing enabled through the use of technology.

• Dramatic reductions in lost productivity due to a decrease in:
  - Unscheduled absences
  - Unwanted turnover by top performers
  - Other disruptions caused by unplanned absences or turnover
  - Overstaffing, both on a daily basis and for seasonal needs

• Increases in employee total rewards

• Cash compensation paid out in salary, rather than on the more traditional hourly basis and at a level designed to recognize the increased value generated from the workforce model.

• Benefits programs that cover all employees and are designed to be highly valued by employees and to promote enhanced employee health and productivity.

• Training and Development programs that are significantly better than any industry peers designed to help employees continue to develop stronger skills.

Our analysis indicates that the Destiny USA workforce strategy will be more profitable than the traditional model due to increased revenues and employee productivity. This result is based upon the following estimates:

• We have analyzed a total average compensation premium of between 80%-150%.

• Our estimate of the effect on overall productivity is an increase in employee productivity of between 25-50% over the norm.

• We estimate that the increase on overall revenue could be between 30-50%.
With the exception of the total compensation premium, which Destiny USA will set – at least initially, the improvements in productivity and revenue increase are strongly dependent on Destiny USA’s execution of their workforce programs and strategy. With good execution and the consistent and timely measurement of employee attitudes and recalibration of programs to improve, Destiny USA can exceed the gains initially anticipated.
Destiny USA Center for Collaboration and Innovation

Destiny USA’s mission is to provide an environment that allows people to meet and collaborate using the best tools and techniques enabled by the use of technology.

In keeping with this mission, Destiny USA introduced the Destiny USA Center for Collaboration and Innovation located on the fifth and six floors of the Carousel Center SkyDeck in May 2005. Destiny USA invested $3.6 million to create the Center and has outfitted it with over $2 million of state-of-the-art equipment to create the technology infrastructure necessary to support its plans.

The Center for Collaboration and Innovation is designed to handle over 150 people, from companies involved in the major key elements in creating Destiny USA, with a key focus on developing the technology systems and resources support Destiny USA from design and construction through operations.

A major differentiator for Destiny USA is its commitment to develop and support three unique technology platforms. One is designed to run the technical elements of operations throughout the build out and into the operations phase. A second system solely for research and development and a third as a backup system to ensure smooth operations at all times.

Destiny USA brought together the best minds in technology innovation, workforce development and construction to deliver on the Destiny USA promise of an unparalleled experience for those creating it, those who visit and those who identify with the Destiny USA vision to re-assert America’s role as a technology leader.
Currently, a major initiative is underway to adapt the digital simulation and modeling technology to the building construction industry. This technology is successfully being used in the aerospace and automobile industries and will be used to design and build Destiny USA. The benefits will be reduced change orders, improved collaboration and reduced variability and decreased risk of cost overruns.

Other elements of the design, build and operating phases of Destiny USA underway at the Center include:

- Paperless jobsite
- SAP software to integrate the financial aspect of the construction site, manage procurement and monitor costs in real time
- Just-in-time provisioning to ensure the material needed is on-site, where workers need it, when they need it
- Laser technology, connecting the center with other Destiny USA locations
- New methods of workforce recruitment, training and development
- New technology to fulfill all Destiny USA guest needs anywhere, for any reason, on demand

In addition to being a hotbed for technological innovation, the Center is designed and furnished in an eco-friendly manner in keeping with Destiny USA’s commitment to protect our environment.